

# DR Corporation Limited

# 2025

# Annual Report



## Letter to Shareholders

### Back to the Essence, Toward a Boundless Horizon

**Dear Shareholders,**

In 2025, China's jewelry industry stood at an unprecedented turning point. The industry shifted from "scale expansion" to "value creation." Leading brands proactively scaled back their store networks, and market signals were complex and difficult to interpret. Yet the real transformation came from consumers. Jewelry purchases are no longer a one-dimensional choice between "value preservation" and "self-expression," but a coexistence of rational and emotional considerations. As the tide recedes, only brands with a clear value proposition and the ability to resonate with users can move forward steadily.

This is both the worst of times and the best of times. For DR, divergence is not a crisis but a touchstone for our original mission. The noisier the market, the more precious that mission becomes; the stronger the currents, the clearer the direction.

#### **2005–2025: From Personal Love to Broader Love**

The year 2025 was especially meaningful—it marked twenty years since we first met. From meeting on a university campus in 2005, to believing in "the sole true love in one life" after graduation, to standing side by side today to safeguard DR, time has spoken quietly yet witnessed everything.

In fact, the external environment over the past year proved far more challenging than we anticipated. China-U.S. tariffs once rose to 125%, gold prices increased by more than 70% over the year, platinum prices doubled within six months, and consumption across the gold jewelry industry contracted by more than 30%. Yet in this very year, the Company achieved its first positive growth since 2022. More importantly, we accompanied more than 170,000 couples in expressing their love, planned over 15,000 proposal ceremonies worldwide, and generated more than 6.4 billion brand impressions during the year. In May of the same year, the DR Global True Love Mansion officially broke ground. In three years, in the heart of Shenzhen, a global landmark dedicated to true love will rise.

#### **2026 Strategic Upgrade: from "One Ring" to "Lifetime Love"**

Our reflection and exploration in 2025 have made one point increasingly clear: if DR were merely a jeweler selling diamond rings, the world would not need another one. What the world lacks is a company truly committed to creating for love and standing firm for love. This understanding guides our strategic direction for 2026—brand upgrading, scenario expansion, product category expansion, and globalization.

#### **Brand Upgrading: From Diamond Ring Specialist to a True Love Lifestyle Brand**

Looking ahead, we will no longer be satisfied with being only the No. 1 diamond ring brand for proposals. Instead, we aim to upgrade into a new luxury lifestyle brand grounded in the value of true love, and strive to become the world's No. 1 high-end wedding jewelry brand. This is not merely an expansion of commercial boundaries but a call back to our original mission. After a couple purchases an engagement ring, their love story continues. The future DR will accompany users through weddings, anniversaries, and every meaningful moment that deserves a ceremony.

#### **Category and Scenario Expansion: Strengthen the Core to Achieve Breakthroughs**

Regarding the boundaries of our brand, we have long reflected on how to create deeper, longer-term value for users. The answer lies in "one consolidation and two breakthroughs." "One consolidation" means elevating the engagement ring experience to the highest standard. It is never just about delivering a ring, but about elevating every moment that touches the user. From packaging details to the delivery ceremony, every step is designed to embody the solemnity and sense of ritual that this commitment deserves. "Two breakthroughs" refer to deeper expansion into wedding bands and high-end wedding gold collections. The "Qianjin Tiara" launched in 2025 has already demonstrated our innovation capabilities in the gold category. In 2026, we will continue to iterate—moving beyond jewelry to create emotional carriers worthy of being passed down through generations.

## **Globalization: From a Chinese Brand to a Global Brand**

In 2025, our U.S. online business not only validated the potential of Chinese culture to reach global audiences, but also confirmed that "the sole true love in one life" is not solely an Eastern romantic ideal—it reflects a universal aspiration rooted deeply in human emotion. At the same time, we built solid advantages in new media communication, digital operations, and supply chain efficiency. In 2026, we will establish a global pricing position based on our intrinsic value and, with confidence, welcome evaluation in the world's most mature markets.

## **Brand Compounding: Making Time Our Moat**

The essence of business is solving user needs and creating value. When someone wishes to express profound love at a defining moment in life, we hope DR becomes the best choice. This original mission has never changed.

We firmly believe that true love requires the test of time, and the association between DR and "true love" will strengthen with time. Every couple who chooses DR embodies the promise of "One Love, One Lifetime." As more users continue to cherish their choice after ten or twenty years, DR gradually becomes more than a ring—it becomes a social consensus: when people speak of true love, they think of DR; when they see DR, they associate it with a steadfast promise that withstands the passage of time. This recognition cannot be built quickly through advertising. It can only accumulate through real stories. The longer time passes, the deeper the belief in true love carried by DR resonates, and the stronger the foundation of this brand asset becomes. This is DR's time-driven brand compounding.

We have always believed that regardless of how times change or technology evolves, humanity's longing for true love never changes.

## **Appreciation and Outlook**

As we write this letter, we feel deep gratitude—gratitude for each other over the past twenty years, for users who cherish DR, for every DR partner working quietly behind the scenes, and for shareholders who have always believed in us. Your patience and support give us the confidence to pursue what is "difficult but right."

Looking ahead to 2026, the year before us remains full of challenges and possibilities. External uncertainty has not dissipated, the chill in global consumption persists, and industry consolidation is still underway. Yet it is precisely in such moments that true brand value emerges.

There is a phrase we particularly appreciate: "Love is the anchor in the torrent of time, giving drifting hearts a place to return."

Please believe that we are drawing on Chinese wisdom to reshape a global brand worthy of the world's respect. Together, let us witness DR grow from a towering tree into a flourishing forest—spreading the belief in true love to every corner of the world.

**Zhang Guotao & Lu Yiwen**

**April 24, 2026**

## **Part I. Important Notes, Contents and Terminology**

The Board of Directors and the Directors, senior management of DRCO warrant that the information of this annual report is true, accurate and complete without any false statements, misleading statements or material omissions, and they shall assume joint and several legal responsibility.

Zhang Guotao, the legal representative of DRCO, Huang Shuirong, the head of accounting operations, and Ou Zhipeng, the head of the accounting department (accounting supervisor), confirm that the financial statements contained in the annual report are true, accurate and complete.

All directors were present at the Board meeting at which this annual report was reviewed.

Any forward-looking statements in this report addressing future plans and objectives do not constitute material commitments by DRCO to investors. Investors and related parties should be aware of the risks involved and should understand the differences between plans, projections and commitments.

The Company kindly requests investors to carefully read the full text of this annual report. For potential risks the Company may face, please refer to "XI. Prospect for the Company's Future Development" under "Part III. Management Discussion and Analysis", which provides detailed disclosures on possible risks and corresponding countermeasures. Investors are advised to pay close attention and remain aware of investment risks.

The profit distribution plan approved at this Board meeting is as follows: based on a total of 400,274,550 shares, the Company will distribute a cash dividend of RMB 5.00 (tax included) for every 10 shares to all shareholders, issue 0 bonus shares (tax included) for every 10 shares, and convert capital reserves into 0 additional shares for every 10 shares to all shareholders.

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## **Documents Available for Inspection**

I Financial statements signed and sealed by DRCO's legal representative, the head of accounting operations, and the head of the accounting department;

II Original copy of the auditors' report sealed by the accounting firm, and signed and sealed by the certified public accountants;

III All original copies of DRCO's announcements and documents publicly disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the Reporting Period;

IV Original copy of the 2025 annual report, which has been signed by DRCO's legal representative;

V Other documents available for inspection.

The above-mentioned documents are kept at the Board Secretary Office of DRCO.

## Terminology

Terms	Definition
Company, DRCO and DR Corporation	DR Corporation Limited
Darry Corporation	Shenzhen Darry Jewelry Co., Ltd., the predecessor of DR Corporation Limited
DR Investment	DR Investment (Zhuhai) Co., Ltd., formerly known as Shenzhen DR Investment Co., Ltd., is the controlling shareholder of DRCO
Wendi No. 1	Ningbo Wendi Chenxin Enterprise Management Partnership (LP), formerly called Gongqingcheng Wendi No. 1 Investment Management Partnership (LP), a shareholder of DRCO
Wendi No. 2	Ji'an Wendi Cuican Management Partnership (LP), formerly called Gongqingcheng Wendi No. 2 Investment Management Partnership (LP), a shareholder of DRCO
Wendi No. 3	Ningbo Wendi Chenxin Enterprise Management Partnership (LP), formerly called Gongqingcheng Wendi No. 1 Investment Management Partnership (LP), a shareholder of DRCO
Darry Qianhai	Shenzhen Darry Commercial Management Services Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Love Only AI	Shenzhen Love Only AI Cloud Technology Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Haoduo Diamond	Haoduo Diamond (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Shanghai Darry	Shanghai Darry Diamond Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Couple Shenzhen	Couple Only (Shenzhen) Jewelry Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
He'er Culture	He'er Culture (Shenzhen) Co., Ltd., formerly known as Shenzhen Shechushe Jewelry Co., Ltd., is a first-tier wholly-owned subsidiary of DRCO
He'er Culture (Hainan)	He'er Culture (Hainan) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
DR LUXURY Singapore	DR Luxury (Singapore) Pte. Ltd., a wholly-owned subsidiary of He'er Culture (Hainan) Co., Ltd.
DR LUXURY Netherlands	DR Luxury Netherlands Holding B.V., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.

LOVEMONT Malaysia	Lovemont (Malaysia) Sdn. Bhd., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
Garland	Garland (Shenzhen) Jewelry Co., Ltd., a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
DR LUXURY USA	DR Luxury USA Inc, a wholly-owned subsidiary of DR Luxury Netherlands Holding B.V.
Garland France	Garland International, a wholly-owned subsidiary of DR Luxury Netherlands Holding B.V.
Love of My Love Wedding Planning (Shenzhen)	Love of My Love Wedding Planning (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Shenzhen DR Jewelry Sales	Shenzhen DR Jewelry Sales Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Happy Love Psychological Research Center	Happy Love Psychological Research Center (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Love of My Love Wedding Planning (Sanya)	Love of My Love Wedding Planning (Sanya) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
Lovemont Hong Kong	Lovemont Hong Kong Limited, a wholly-owned subsidiary of DR Luxury (Singapore) Pte. Ltd.
Haoduo Diamond Zhizao	Haoduo Diamond Zhizao (Shenzhen) Co., Ltd., a wholly-owned subsidiary of Haoduo Diamond (Shenzhen) Co., Ltd.
Hong Kong DR GROUP	DR Group Company Limited, a wholly-owned subsidiary of Shenzhen Love Only AI Cloud Technology Co., Ltd.
Hong Kong DR	Darry Jewelry (HK) Limited, a wholly-owned subsidiary of DR Group Company Limited
Couple Hong Kong	Couple Only Jewelry Hong Kong Company Limited, a subsidiary of DR Group Company Limited
French DR JEWELRY	DR Jewelry, a wholly-owned subsidiary of DR Group Company Limited
DR Design	DR Design (Shenzhen) Co., Ltd., a first-tier wholly-owned subsidiary of DRCO
DR JEWELRY MALAYSIA	DARRY RING JEWELRY (MALAYSIA) SDN. BHD., a wholly-owned subsidiary of DR LUXURY (SINGAPORE) PTE. LTD.
Qianhai Wendi	Shenzhen Qianhai Wendi Management Consulting Co., Ltd.
Every Year Travel Photography	Shenzhen Every Year Travel Photography Culture Co., Ltd.
Wendi Design	Zhuhai Wendi Design Consulting Co., Ltd.

Wendi Technology	Zhuhai Wendi Technology Co., Ltd.
Zhuhai Wendi No. 1	Zhuhai Wendi No. 1 Investment Partnership (LP)
DR	A jewelry brand owned by DR Corporation Limited
Reporting Period	January 1, 2025 – December 31, 2025
Articles of Association	Articles of Association of DR Corporation Limited
Listing	Listing and trading of DRCO's shares on the Shenzhen Stock Exchange
Yuan or RMB	Renminbi, the lawful currency of the PRC
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
SDE	Shanghai Diamond Exchange
Shenzhen Administration for Market Regulation	Shenzhen Administration for Market Regulation
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Carat (in Ct)	A unit of mass (weight) of gems. The weight of a carat of diamonds is equal to 200 milligrams or 0.2 grams of diamonds. One carat can be subdivided into 100 points for calculation of smaller diamonds; therefore, a 50-point diamond is 0.5 carat.
Finished Diamond	The diamond after cutting, polishing and other processing that can be used to make jewelries.
Gold Jewelry	Jewelry with gold as the main raw material
Gold Lease	DRCO leases physical gold from the bank for an agreed term and upon expiration, returns physical gold of the same quantity and variety and pays the bank a gold leasing fee as agreed.
m <sup>2</sup>	Square meter, a unit to measure the area
DTC	Direct to Customer, a direct-to-consumer business model

## Part II. Company Profile and Key Financial Indicators

### I. Basic Information

Stock abbreviation	迪阿股份	Stock Code	301177
Chinese name	迪阿股份有限公司		
Chinese abbreviation	迪阿股份		
English name (if any)	DR Corporation Limited		
English abbreviation (if any)	DRCO		
Legal representative	Zhang Guotao		
Registered address	Room 1308, Tower C, China Resources Land Building, Dachong Community, Yuehai Subdistrict, Nanshan District, Shenzhen.		
Postal code	518057		
History of changes in registered address	On June 25, 2024, the registered address of DRCO was changed from "Room 306, Wing Building Luohu Investment Holding Building, No. 112 Qingshuihe 1st Road, Qingshuihe Community, Qingshuihe Street, Luohu District, Shenzhen" to "Room 1308, Tower C, China Resources Land Building, Dachong Community, Yuehai Subdistrict, Nanshan District, Shenzhen".		
Office address	12th and 13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen		
Postal code	518057		
Global website	<a href="https://www.darryringgroup.com">https://www.darryringgroup.com</a>		
E-mail	IR@darryring.com		

### II. Contact Information

	Board secretary	Securities affairs representative
Name	Huang Shuirong	Chen Junling
Address	13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen	13th Floor, Tower C, China Resources Land Building, Nanshan District, Shenzhen
Telephone	0755-86664586	0755-86664586
Fax	0755-86725390	0755-86725390
E-mail	IR@darryring.com	IR@darryring.com

### III. Information Disclosure and Place for Inspection

Website of the stock exchange for publishing DRCO's annual report	Shenzhen Stock Exchange (SZSE): www.szse.cn
Name and website of media designated for publishing the annual report	Securities Times, Securities Daily, China Securities Journal, Shanghai Securities News, www.cninfo.com.cn
Place for inspection of DRCO's annual report	The Board Secretary Office of DRCO.

### IV. Other Relevant Information

#### Accounting firm engaged by DRCO

Name of accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai
Names of signing accountants	Peng Jinyong and Luo Wei

#### Sponsor engaged by DRCO to perform continuing supervision during the Reporting Period

Applicable Not applicable

Name of Sponsor	Office address	Name of sponsor representative	Continuous supervision period
China Securities Co., Ltd.	35th Floor, Shenzhen Media Group Tower, Pengcheng 1st Road, Futian District, Shenzhen	Fang Yifeng and He Junjie	December 15, 2021 - December 31, 2024. As the proceeds raised from the Company's initial public offering have not been fully utilized, China Securities Co., Ltd. will continue to fulfill its duties of continuing supervision over such matter until the proceeds are fully utilized.

#### Financial advisers engaged by DRCO to perform continuing supervision during the Reporting Period

Applicable  Not applicable

### V. Key Accounting Data and Financial Indicators

Whether DRCO needs to retroactively adjust or restate the accounting data of the previous years

Yes No

	2025	2024	YoY Changes	2023
Operating revenue (RMB)	1,520,123,270.56	1,482,423,153.98	2.54%	2,180,277,744.00
Net profit attributable to shareholders of the parent company (RMB)	139,104,912.36	53,029,532.69	162.32%	68,957,568.40
Net profit attributable to shareholders of the parent company after deducting non-recurring gains and	4,208,066.16	-126,403,879.88	103.33%	-120,482,993.14

losses (RMB)				
Net cash flow from operating activities (RMB)	-276,945,398.33	316,155,839.08	-187.60%	36,965,507.81
Basic earnings per share (RMB/share)	0.35	0.13	169.23%	0.17
Diluted earnings per share (RMB/share)	0.35	0.13	169.23%	0.17
Weighted average return on net assets	2.21%	0.83%	1.38%	1.04%
	At the end of 2025	At the end of 2024	YoY change (year-end)	At the end of 2023
Total assets (RMB)	7,633,391,143.18	7,552,292,660.57	1.07%	7,530,082,307.45
Total equity attributable to shareholders of the parent company (RMB)	6,264,792,978.18	6,323,504,304.33	-0.93%	6,472,637,841.96

For each of the past three fiscal years, the annual net profit before or after deduction of non-recurring profit or loss, whichever is lower, has been negative; the recent year's audit report indicates uncertainty about the Company's ability to continue operating.

Yes No

During the Reporting Period, the lower of the Company's audited total profit, net profit and net profit after deduction of non-recurring profit or loss was negative

Yes No

## VI. Key Financial Indicators on Quarterly Basis

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	407,652,919.98	378,414,495.84	370,315,196.21	363,740,658.53
Net profit attributable to shareholders of the listed company	20,721,843.35	55,279,325.11	26,537,031.64	36,566,712.26
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	6,058,364.96	-3,754,208.97	2,816,735.89	-912,825.72
Net cash flows from operating activities	36,405,058.96	-178,132,093.58	-46,510,272.32	-88,708,091.39

The above financial indicators or their aggregate amounts differ significantly from the relevant financial indicators disclosed in the DRCO's quarterly or semi-annual reports.

Yes No

## VII. Differences in Accounting Data Under Domestic and International Accounting Standards

### 1. The differences in net profit and net assets disclosed in financial reports prepared according to both International Financial Reporting Standards (IFRS) and Chinese Accounting Standards (CAS).

Applicable Not applicable

This report does not include differences in net profit and net assets disclosed during the Reporting Period under both overseas accounting standards and Chinese Accounting Standards.

### 2. The difference in net profit and net assets disclosed in financial reports prepared according to both overseas accounting standards and Chinese Accounting Standards.

Applicable Not applicable

This report does not include differences in net profit and net assets disclosed during the Reporting Period under both overseas accounting standards and Chinese Accounting Standards.

## VIII. Non-recurring Profit/Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
Non-current asset disposal gains or losses (including the write-off portion of previously recognized asset impairment provisions)	96,641.12	2,324.86	1,483,669.10	
Government grants recognized in the current period's income, excluding those closely related to the Company's normal operations, conforming to national policy regulations, enjoyed under established criteria, and persistently impacting the Company's income and expenses	3,185,640.05	2,792,775.88	17,239,801.74	
Gains and losses on changes in the fair value of financial assets and liabilities held by non-financial enterprises and gains and losses on the disposal of financial assets and liabilities, except for effective hedging operations related to regular business operations of DRCO	147,797,640.31	174,942,992.31	232,611,194.40	Gains and losses on changes in fair value of financial assets held for trading, and investment income from the wealth management products during the Reporting Period.
Reversal of provision for impairment of receivables subject to separate impairment test	262,349.01	3,730,738.14	1,476,671.46	

Other non-operating income or expenses other than the above items	-4,971,534.28	2,748,458.84	-4,827,618.30	
Less: Income tax effect	11,473,890.01	4,783,877.46	58,543,156.86	
Total	134,896,846.20	179,433,412.57	189,440,561.54	--

Details of other gain/loss items that meet the definition of non-recurring gains/losses:

Applicable Not applicable

DRCO has no other items in line with the definition of non-recurring gains/losses.

Explanation on defining the non-recurring items listed in *Interpretative Announcement No. 1 on the Disclosure of Information by Companies Issuing Securities Publicly – Non-recurring Gains and Losses* as recurring items

Applicable Not applicable

Item	Amount involved (RMB)	Explanation
The value-added tax refund obtained due to the portion of the actual tax burden on diamond imports exceeding 4%, which qualifies for immediate refund.	8,864,789.68	Government grants closely related to the Company's normal operations, conforming to national policy regulations, enjoyed under established criteria, and impacting the Company's income and expenses
VAT exemption for small-scale taxpayers with monthly sales not exceeding RMB 100,000 (or RMB 300,000 for quarterly sales if a quarter is a tax period)	401,734.60	Government grants closely related to the Company's normal operations, conforming to national policy regulations, enjoyed under established criteria, and persistently impacting the Company's income and expenses
Gains (losses) arising from early store closure	-737,008.38	Mainly store closure losses recognized in gains or losses on disposal of assets, as well as store closure penalty losses recognized in non-operating expenses. Due to business development needs and changes in market conditions, the Group may appropriately adjust its store opening and closure decisions. The management of the Company believes that such activities are closely related to the Group's ordinary operating activities; therefore, the related gains and losses are classified as recurring gains and losses.

## Part III. Management Discussion and Analysis

### I. DRCO Main Business during the Reporting Period

DRCO is required to comply with the disclosure requirements for "Jewelry-related Businesses" as outlined in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

DRCO is required to comply with the disclosure requirements for "Retail Industry" as outlined in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

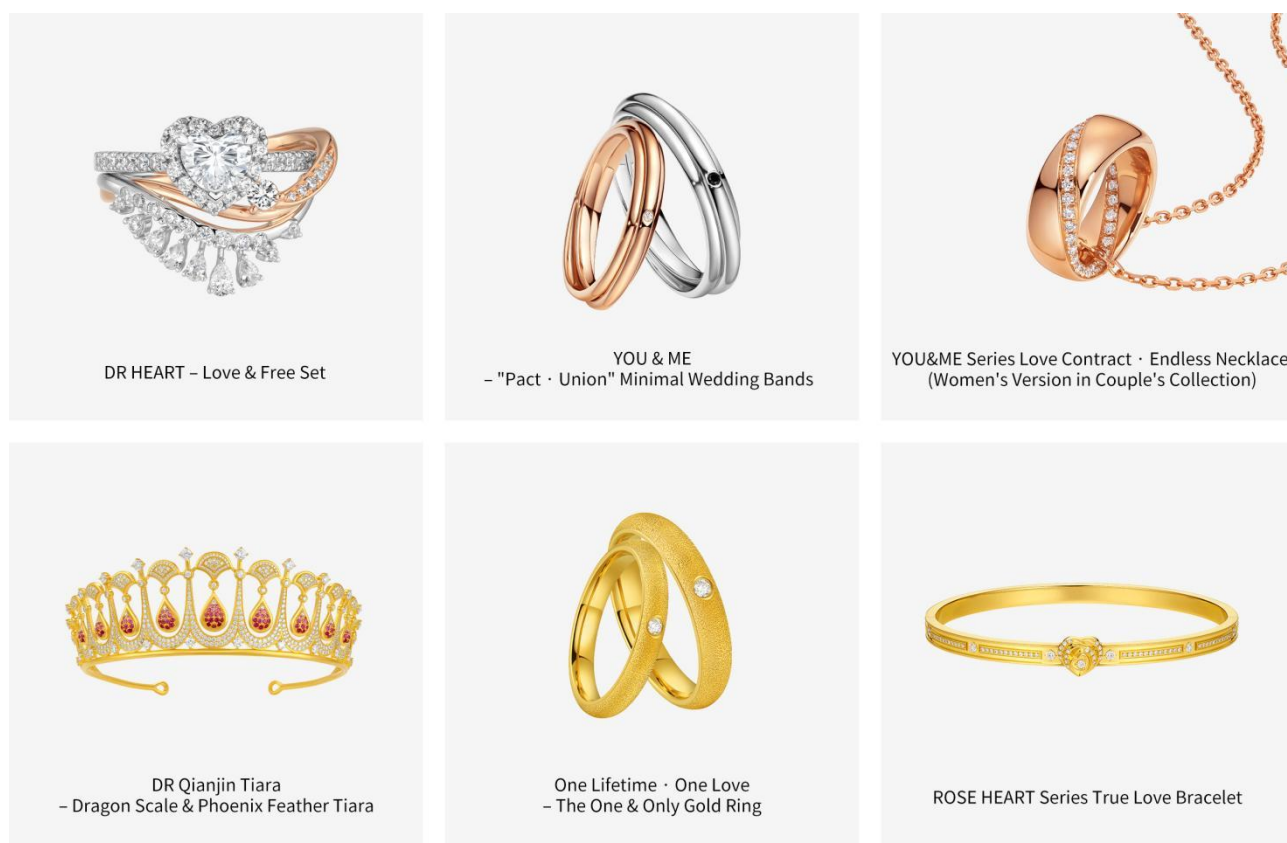
#### (I) Main Business of DRCO

DRCO is a globalized, listed enterprise focused on high-end diamond rings and jewelry. It is primarily engaged in brand management, customized sales, and R&D and design of jewelry products. Since its establishment, the Company has consistently upheld the corporate mission of "helping more people express love, making love last forever," and has focused on core scenarios such as proposals, weddings, and anniversaries. It provides global consumers with high-quality jewelry products and distinctive true love cultural experience services, striving to become a leading global brand representing a true love lifestyle.

The Company's brand, DR Diamond Ring, operates a globally integrated DTC (Direct-to-Consumer) retail network combining online and offline channels. Its business covers nearly 200 cities across Paris in France, Hong Kong SAR, and the Chinese Mainland. As of the end of the Reporting Period, DR Diamond Ring operated 345 self-operated True Love Experience Stores worldwide, widely recognized and favored by young consumers globally. With its differentiated brand positioning, professional product design, and distinctive service experience, DR Diamond Ring has grown into a leading brand in the global engagement ring market. It has been selected for multiple consecutive years into the "Top 500 Asian Brands" issued by the World Brand Lab, and has received internationally recognized honors including the JNA Awards "Brand of the Year" and the HKCT "Best International Engagement Ring Brand of the Year" in Hong Kong.

#### (II) Product Portfolio of DRCO

The Company has built a comprehensive product portfolio covering the three core scenarios of proposals, weddings, and anniversaries, based on the full lifecycle of love. Its current main products include engagement rings, wedding bands, anniversary gifts, and bridal gold collections. Looking ahead, DRCO will remain committed to serving the emotional aspirations of global consumers seeking to commemorate cherished moments and celebrate a beautiful life. With a unique aesthetic perspective and high-standard craftsmanship, it will create high-quality jewelry products, continuously improve its product ecosystem, and accompany users through every precious moment in their lives.



### (III) An Overview of the Operational Status

#### 1. Customized fully self-operated sales model

DRCO adopts a "customized sales + fully self-operated channels" sales model. Under this model, the Company provides customers with exclusive products through customized sales. Consumers select styles, diamond specifications, ring settings, and personalized engraving requirements via online platforms or offline stores, and place orders by paying a deposit. The Company then entrusts manufacturing and production, and upon receipt of the final payment, arranges direct delivery to consumers via express logistics or delivery to stores for in-store pickup. This model enables demand-driven production, effectively reducing inventory levels and capital tie-up, and supporting the Company in maintaining healthy cash flow and a lower-than-industry-average asset-liability ratio. Meanwhile, leveraging its self-built middle-platform system, DRCO achieves end-to-end efficient coordination across order processing, product allocation, and quality control, ensuring timely delivery of each customized ring. For considerations of brand philosophy communication, brand image building, and unified operational management, the Company adopts a fully self-operated model for the DR brand. All stores are directly managed and operated by the Company, with unified pricing across online and offline channels to ensure consistency in service experience. In terms of channel layout, DRCO has established an omni-channel retail system integrating both online and offline channels. Its official website, mini-programs, Tmall, and JD flagship stores provide consumers with convenient online browsing and purchasing access, while offline stores offer physical in-store experience. The two channels function as mutual entry points and reinforce each other, fully leveraging the convenience of online platforms and the experiential advantages of offline stores. To help more people express true love, the Company also provides consumers with a range of value-added services, including the "True Love Agreement," "Love Confirmation Certificate," and in-store proposal ceremony assistance, enriching the overall service experience and further strengthening the brand connotation and emotional fulfillment of consumers.

#### (1) Revenue by channel type during the Reporting Period

During the Reporting Period, DRCO recorded operating revenue of RMB 1,520.12 million, representing an increase of 2.54 % year-on-year. The growth was mainly attributable to the gradual realization of results

from prior channel optimization and refined store operations. During the Reporting Period, single-store revenue reached RMB 3.50 million, increasing by 25.99 % year-on-year.

By channel type, online self-operated channel recorded revenue of RMB 309.56 million,, up 27.91% year-on-year, with its contribution rising from 16.33% to 20.36%. Offline direct-operated stores generated revenue of RMB 1,070.27 million , representing a year-on-year decrease of 4.04%. Offline joint-operated stores recorded revenue of RMB 123.23 million, increasing by 5.35% year-on-year. Other businesses generated revenue of RMB 17.07 million, up 109.85 % year-on-year, mainly due to increased disposal of raw materials during the Reporting Period, which improved the utilization efficiency of on-hand inventory.

During the Reporting Period, the Company's overall gross profit margin was 65.82%, remaining broadly stable with the same period last year. Gross profit margins of core businesses increased, with online self-operated, offline direct-operated, and offline joint-operated businesses rising by 3.65%, 1.18%, and 0.39% year-on-year, respectively. The improvement was mainly driven by optimized product sales structure, which contributed to margin expansion.

Revenue by channel type during the Reporting Period

Unit: RMB'000

Channel type	2025			2024			YoY change in revenue	YoY change in gross margin
	Revenue	Cost of revenue	Gross margin	Revenue	Cost of revenue	Gross margin		
Online self-operated channel	30,955.78	10,335.25	66.61%	24,201.42	8,963.19	62.96%	27.91%	3.65%
Offline direct-operated stores	107,026.90	34,918.45	67.37%	111,530.62	37,701.67	66.20%	-4.04%	1.18%
Offline joint-operated stores	12,322.54	4,285.72	65.22%	11,696.78	4,113.88	64.83%	5.35%	0.39%
Other businesses	1,707.10	2,425.09	-42.06%	813.5	383.17	52.90%	109.85%	-94.96%
Total	152,012.33	51,964.51	65.82%	148,242.32	51,161.90	65.49%	2.54%	0.33%

Note: Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

## (2) Store operations during the Reporting Period

### ① Changes in store network

DRCO optimized its channel layout in response to market dynamics, adjusting its sales network based on changes in commercial districts, customer base alignment, and brand positioning. During the Reporting Period, the Company opened 23 new stores (19 direct-operated stores and 4 joint-operated stores) and closed 51 stores (47 direct-operated stores and 4 joint-operated stores), resulting in a net decrease of 28 stores.

As of the end of the Reporting Period, the Company operated 345 stores, all of which were self-operated. 343 stores were located in the Chinese Mainland, distributed across 187 cities (including county-level cities) in 31 provinces, autonomous regions, and municipalities. By city tier, 194 stores were located in first- and second-tier cities, accounting for 56.23%, while 149 stores were located in third-tier, fourth-tier, and lower-tier cities, accounting for 43.19%. Overseas, the Company operated 2 direct-operated stores, located in Paris and Hong Kong, accounting for 0.58%.

As of the end of the Reporting Period, DRCO operated 314 direct-operated stores, accounting for 91.01%, and 31 joint-operated stores, accounting for 8.99%, which remained broadly consistent with the beginning of the Reporting Period.

## Store count changes

Unit: Store

Tier of city	Classification	Beginning-of-period number	Increase		Decrease		Net change	End-of-period number
			New	Model conversion	Closed	Model conversion		
Tier-1 and tier-2	Direct-operated stores	183	13	2	22	1	-8	175
	Joint-operated stores	19	3	1	2	2	-	19
	Subtotal	202	16	3	24	3	-8	194
Tier-3, tier-4 and lower tiers	Direct-operated stores	156	6	-	25	-	-19	137
	Joint-operated stores	13	1	-	2	-	-1	12
	Subtotal	169	7	-	27	-	-20	149
Overseas	Direct-operated stores	2	-	-	-	-	-	2
	Subtotal	2	-	-	-	-	-	2
Total	Direct-operated stores	341	19	2	47	1	-27	314
	Joint-operated stores	32	4	1	4	2	-1	31
	Total	373	23	3	51	3	-28	345

Note 1: The Company adjusted the classification of store city tiers in accordance with the latest city tier classification published by the relevant national authorities.

Note 2: "Model conversion" refers to adjustments in store operating types between direct-operated and joint-operated models.

## ② Newly opened stores

To ensure the quality of store expansion, DRCO steadily advanced its new store rollout. During the Reporting Period, a total of 23 new stores were opened, including 19 direct-operated stores and 4 joint-operated stores, with a total operating area of 1,749.52 square meters. These new stores generated revenue of RMB 30.46 million, and gross profit of RMB 20.28 million. Average daily revenue of newly opened stores during the Reporting Period increased by RMB 0.004 million compared with the same period of the previous year, an increase of 72.23 %, reflecting improved operational efficiency. The improvement was mainly attributable to the Company's continued optimization in store location selection, product mix, and operational strategies.

## Newly opened stores

Unit: RMB'000

Model	Region	2025					2024				
		Number of stores	Area (m <sup>2</sup> )	Revenue	As % of total revenue	Gross profit	Number of stores	Area (m <sup>2</sup> )	Revenue	As % of total revenue	Gross profit
Joint-operated stores	North China	1	18.80	863.16	0.57%	585.20	1	74.00	133.51	0.09%	90.61
	East China	-	-	-	-	-	1	63.00	93.81	0.06%	60.64
	Central China	-	-	-	-	-	1	29.40	216.96	0.15%	141.12
	Northwest China	1	31.30	8.61	0.01%	5.29	-	-	-	-	-

	Southwest China	2	184.80	329.40	0.22%	212.88	-	-	-	-	-
Subtotal of joint-operated stores		4	234.90	1,201.17	0.79%	803.37	3	166.40	444.28	0.30%	292.37
Direct-operated stores	Northeast China	1	78.00	174.80	0.11%	116.30	2	117.40	157.02	0.11%	99.52
	North China	1	135.00	8.63	0.01%	5.65	1	20.00	-	-	-
	East China	9	687.00	865.96	0.57%	571.05	4	377.22	554.80	0.37%	367.55
	South China	6	511.73	648.54	0.43%	436.26	2	180.60	21.85	0.01%	15.11
	Central China	-	-	-	-	-	2	150.00	1.41	0.00%	0.54
	Northwest China	1	77.89	119.85	0.08%	77.71	1	78.32	17.07	0.01%	12.14
	Southwest China	1	25.00	27.02	0.02%	18.14	2	109.00	149.59	0.10%	97.62
Subtotal of direct-operated stores		19	1,514.62	1,844.80	1.21%	1,225.11	14	1,032.54	901.74	0.61%	592.48
Total		23	1,749.52	3,045.97	2.00%	2,028.48	17	1,198.94	1,346.01	0.91%	884.85

Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

### ③ Impact of closed stores during the Reporting Period

During the Reporting Period, the Company continued to optimize its channel network, closing a total of 51 stores (47 direct-operated stores and 4 joint-operated stores) to enhance operational efficiency and profitability.

The closed stores generated revenue of RMB 43.29 million during the Reporting Period, representing a decrease of RMB 60.01 million compared with revenue of RMB 103.30 million generated by these stores in the same period of the previous year. Among them, revenue from the closed direct-operated stores decreased by RMB 56.15 million compared with the same period of the previous year, with the declines mainly concentrated in East China (RMB -15.95 million), Central China (RMB -11.34 million), and Northeast China (RMB -7.91 million). The impact of closed joint-operated stores was relatively limited.

Analysis of the impact of closed stores on revenue during the Reporting Period

Unit: RMB'000

Model	Region	Number of closed stores	Revenue during the Reporting Period	Revenue in the same period of the previous year generated by stores closed during the Reporting Period	Impact of closed stores on revenue during the Reporting Period
Joint-operated stores	East China	2	120.93	313.18	-192.25
	South China	2	124.82	318.45	-193.63
Subtotal of joint-operated stores		4	245.75	631.63	-385.88
Direct-operated stores	Northeast China	6	427.30	1,218.34	-791.04
	North China	8	1,275.91	1,972.24	-696.33
	East China	10	717.61	2,312.97	-1,595.36

	South China	9	831.10	1,186.72	-355.62
	Central China	5	296.37	1,430.48	-1,134.11
	Northwest China	4	195.01	644.23	-449.22
	Southwest China	5	339.78	933.31	-593.53
Subtotal of direct-operated stores		47	4,083.08	9,698.29	-5,615.21
Total		51	4,328.83	10,329.92	-6,001.09

Note 1: The impact of closed stores on revenue during the Reporting Period = Revenue generated by closed stores during the Reporting Period – Revenue generated by the same stores in the same period of the previous year.

Note 2: Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

#### ④ Performance analysis of stores during the Reporting Period

During the Reporting Period, direct-operated stores achieved single-store revenue of RMB 3.45 million , representing a year-on-year increase of 25.13%, and revenue per square meter reached RMB 42,000/m<sup>2</sup>, up 34.12% year-on-year. Joint-operated stores recorded single-store revenue of RMB 4.03 million, increasing by 33.96 % year-on-year, while revenue per square meter reached RMB 62,500/m<sup>2</sup>, up 36.15% year-on-year.

During the Reporting Period, both single-store revenue and revenue per square meter improved, mainly attributable to the closure of underperforming stores, which reduced internal traffic diversion and facilitated the concentration of customer traffic in high-quality stores. In addition, refined operational management further improved output efficiency per unit area.

##### Single-store revenue and revenue per square meter

Unit: RMB'000

Classification	2025				2024				YoY change	
	Average number of stores	Single-store area (m <sup>2</sup> )	Single-store revenue	Single-store revenue per square meter (RMB'000/m <sup>2</sup> )	Average number of stores	Single-store area (m <sup>2</sup> )	Single-store revenue	Single-store revenue per square meter (RMB'000/m <sup>2</sup> )	Single-store revenue	Single-store revenue per square meter (RMB'000/m <sup>2</sup> )
Direct-operated stores	317	82.18	344.96	4.20	406	87.95	275.68	3.13	25.13%	34.12%
Joint-operated stores	30	64.56	403.43	6.25	36	65.58	301.15	4.59	33.96%	36.15%

Note 1: Average number of stores refers to the average number of stores at the end of each month during the Reporting Period ( $\sum$  Sum of month-end store counts / Number of months).

Note 2: Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

#### ⑤ Top 10 stores in terms of revenue

Unit: RMB'000

No.	Store name	Opening date	Model	Business area (m <sup>2</sup> )	Revenue	Cost of revenue	Operating profit
1	DR Store in Guangzhou Grandview Mall	2017/11/11	Direct-operated	266.00	1,975.32	675.39	471.24
2	DR Store in Xi'an SAGA International Shopping Mall	2018/7/28	Direct-operated	94.00	1,249.34	460.83	338.47
3	DR Store in Chengdu IFS	2018/1/17	Direct-operated	34.00	1,023.72	363.56	389.78

4	DR Store in Shenzhen Uniwalk Center	2017/10/20	Direct-operated	92.40	960.44	350.71	161.48
5	DR Store in The Heart of Yiwu, Jinhua	2018/4/18	Direct-operated	135.00	950.17	321.27	397.95
6	DR Store in Hopson One Beijing	2022/9/10	Joint-operated	61.00	914.97	312.28	300.08
7	DR Store in Changsha IFS	2023/10/8	Direct-operated	96.00	884.92	264.69	370.39
8	DR Store in Shanghai New World Daimaru	2018/4/20	Joint-operated	90.00	880.90	279.53	257.11
9	DR Store in Hangzhou Hubin Yintai IN77 C	2019/4/27	Direct-operated	84.00	869.98	286.87	465.00
10	DR Store in Beijing SKP	2025/4/8	Joint-operated	18.80	863.16	277.96	185.82

Note: Operating profit = Revenue - Cost of revenue - Store expenses, excluding expenses shared with the headquarters.

### (3) Online sales during the Reporting Period

DRCO primarily conducts online sales through its self-owned sales platform (the Company's official website) and third-party sales platforms (including Tmall, JD.com, and others). During the Reporting Period, online business generated revenue of RMB 309.56 million, representing a year-on-year increase of 27.91% and accounting for 20.36% of total revenue. Among them, the self-owned sales platform (the Company's official website) generated revenue of RMB 106.06 million, up 72.47% year-on-year, mainly attributable to the active expansion of overseas business. Third-party platforms (including Tmall, JD.com, and Douyin, among others) generated revenue of RMB 203.50 million, increasing by 12.73 % year-on-year, mainly driven by the expansion and optimization of operations and channel development.

According to DRCO's purchase rules, customers who make purchases through third-party sales platforms are required to register on its self-owned sales platform, namely the Company's official website. As of the end of the Reporting Period, the total number of registered users on the Company's official website reached approximately 15,057,600, with about 1,442,900 new registered users during the Reporting Period. The average order value on the official website was approximately RMB 6,400.

#### Online sales

Unit: RMB'000

Channel	2025			2024			YoY change	
	Sales order amount	Revenue	As % of online revenue	Sales order value	Revenue	As % of online revenue	Sales order amount	Revenue
Self-owned sales platform	10,886.01	10,606.24	34.26%	6,344.69	6,149.64	25.41%	71.58%	72.47%
Third-party sales platforms	22,920.73	20,349.54	65.74%	20,315.45	18,051.78	74.59%	12.82%	12.73%
Total	33,806.74	30,955.78	100.00%	26,660.14	24,201.42	100.00%	26.81%	27.91%

Note 1: The self-owned sales platform refers to DRCO's official website (including overseas sites) and the points-based redemption mall, while third-party sales platforms include the flagship stores on Tmall, JD.com, and others.

Note 2: Sales order amount refers to the tax-inclusive order amount during the Reporting Period.

## 2. Outsourced manufacturing model

Benefiting from extensive industrial chain resources and the continued deepening of industrial division of labor, DRCO adopts an asset-light operating strategy, with all finished products produced through an outsourced manufacturing model. On the one hand, by fully leveraging external manufacturing capacity, the Company enhances operational efficiency. On the other hand, it focuses on brand building, channel expansion, product research and development, and supply chain integration, thereby improving overall

operating effectiveness. The Company dynamically adjusts supplier order allocation ratios based on supplier performance indicators, including production capacity, product pass rate, and on-time delivery rate, so as to ensure product quality and delivery timeliness. DRCO places strong emphasis on product quality and continuously improves its quality control system. Professional quality inspection personnel or specialized equipment are deployed across key stages, including raw material procurement, outsourced manufacturing, and product circulation. In addition, all products shipped to retail channels are tested by nationally accredited third-party testing institutions and are accompanied by relevant certification documents.

### 3. Procurement model

To ensure standardized procurement processes and stable raw material quality, DRCO's raw material procurement is centrally managed by the supply chain department. Based on business requirements, inventory levels, and short-term market price trends, the Company formulates and implements procurement plans. Key raw materials include diamonds and gold. Gold procurement is conducted through two models: bank leasing and self-purchase. Gold leasing refers to a model under which DRCO leases physical gold from banks for an agreed period and returns the same quantity and type of physical gold upon maturity, while paying leasing fees in accordance with the agreement.

#### (1) Major procurement activities during the Reporting Period

##### ① Procurement amounts of major raw materials

During the Reporting Period, DRCO's total procurement amounted to RMB 716.00 million, representing a year-on-year increase of 73.04%, with a structurally diversified growth across categories. Diamond procurement amounted to RMB 233.82 million, up 49.25% year-on-year, primarily due to the advance stockpiling of loose stones in the fourth quarter in response to anticipated policy adjustments, while the remaining purchases were conducted in line with order-based demand and routine inventory replenishment. Gold procurement reached RMB 200.97 million, increasing by 16.15% year-on-year, mainly driven by rising gold prices. Platinum procurement amounted to RMB 187.39 million, surging by 732.96% year-on-year, primarily attributable to adjustments in the Company's product mix and higher platinum prices. Outsourced manufacturing totaled RMB 93.82 million, up 52.34% year-on-year.

##### ② Procurement channels and quantities of major raw materials

During the Reporting Period, diamonds were primarily procured through domestic and overseas channels, with the supply chain department responsible for inspection and warehousing. For overseas procurement, diamonds were mainly purchased by Hong Kong DR GROUP from overseas suppliers and then cleared through Shanghai Darry, a member of the Shanghai Diamond Exchange. The Company also directly procured polished diamonds from domestic suppliers or their affiliates that are members of the Shanghai Diamond Exchange.

During the Reporting Period, the procurement quantities of major raw materials showed differentiated growth in line with business demand, while procurement channels remained stable. Diamonds were sourced through both domestic and overseas channels, with domestic procurement accounting for 75.45% and overseas procurement accounting for 24.55%, broadly consistent with the previous year. Total diamond procurement quantity reached 62,549.46 carats, increasing by 111.88% year-on-year. Gold procurement quantity reached 291,000 grams, decreasing by 18.03% year-on-year. Platinum procurement quantity reached 640,089.25 grams, increasing by 477.32% year-on-year. Outsourced manufacturing quantity reached 255,056 pieces, increasing by 8.50% year-on-year.

Procurement amounts of major raw materials during the Reporting Period

Unit: RMB0'000

Item	2025		2024		YoY change
	Procurement amount	As % of total procurement	Procurement amount	As % of total procurement	
Diamond	23,382.01	32.66%	15,666.48	37.86%	49.25%

Gold	20,097.22	28.07%	17,303.05	41.82%	16.15%
Platinum	18,738.84	26.17%	2,249.67	5.44%	732.96%
Outsourced manufacturing	9,381.75	13.10%	6,158.29	14.88%	52.34%
Total	71,599.82	100.00%	41,377.49	100.00%	73.04%

Note 1: The procurement amounts in the table are exclusive of tax.

Note 2: Diamond procurement includes natural polished diamonds and rough diamonds.

Note 3: Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

#### Procurement channels and quantities of major raw materials during the Reporting Period

Item	Unit	Procurement channel	2025		2024		YoY change
			Procurement quantity	As % of total procurement	Procurement quantity	As % of total procurement	
Diamond	Carat	Domestic market	47,192.18	75.45%	20,469.78	69.34%	130.55%
		Overseas market	15,357.28	24.55%	9,051.82	30.66%	69.66%
		Total	62,549.46	100.00%	29,521.60	100.00%	111.88%
Gold	Gram	Leasing	-	-	163,000.00	45.92%	-100.00%
		Procurement	291,000.00	100.00%	192,000.00	54.08%	51.56%
		Total	291,000.00	100.00%	355,000.00	100.00%	-18.03%
Platinum	Gram	Procurement	640,089.25	100.00%	110,873.20	100.00%	477.32%

Note: Diamond procurement includes natural polished diamonds and rough diamonds.

#### Outsourced manufacturing quantities during the Reporting Period

Item	Unit	2025		2024		YoY change
		Procurement quantity	As % of total procurement	Procurement quantity	As % of total procurement	
Outsourced manufacturing	Piece	255,056.00	100.00%	235,072.00	100.00%	8.50%

Note: The above procurement quantities exclude product accessories, such as earring backs and chain tags, and low-value silver and copper accessories.

#### (2) Inventories during the Reporting Period

During the Reporting Period, DRCO's inventories comprised raw materials, work-in-progress, finished goods, materials under outsourced manufacturing, goods in transit, and revolving materials, with raw materials and finished goods accounting for the majority. As of the end of the Reporting Period, the Company's inventory balance amounted to RMB 711.69 million, representing a year-on-year increase of 52.53%. The provision for inventory impairment stood at RMB 3.82 million, and the net carrying amount of inventory was RMB 707.87 million. Raw materials had an ending balance of RMB 192.84 million, up 133.34 % year-on-year, accounting for 27.10% of total inventory. This increase was primarily attributable to the advance stockpiling of loose stones in response to policy adjustments, as well as the concentrated buildup of platinum and gold reserves in the fourth quarter. Work-in-progress had an ending balance of RMB 27.63 million, up 67.03 % year-on-year, accounting for 3.88% of total inventory. This increase was mainly due to an accumulation of defective products, which were subsequently disposed of in early 2026. Finished goods had an ending balance of RMB 470.24 million, up 35.20% year-on-year, accounting for 66.07 % of total inventory. This increase was primarily attributable to operational arrangements such as optimizing store product assortments and adjusting product mix. Materials under outsourced

manufacturing had an ending balance of RMB 14.31 million , down 4.21% year-on-year, accounting for 2.01% of total inventory. Goods in transit had an ending balance of RMB 0.29 million, down 19.19% year-on-year. Revolving materials had an ending balance of RMB 6.39, up 47.66% year-on-year, accounting for 0.90% of total inventory. This increase was primarily due to a higher level of peripheral consumables stockpiled for store and operational needs.

Inventory composition at the end of the Reporting Period

Unit: RMB'000

Item	December 31, 2025		December 31, 2024		YoY change
	Amount	%	Amount	%	
Raw materials	19,284.42	27.10%	8,264.41	17.71%	133.34%
Work-in-progress	2,762.74	3.88%	1,654.02	3.54%	67.03%
Finished goods	47,023.78	66.07%	34,780.17	74.54%	35.20%
Materials under outsourced manufacturing	1,431.13	2.01%	1,493.98	3.20%	-4.21%
Goods in transit	28.55	0.04%	35.33	0.08%	-19.19%
Revolving materials	638.67	0.90%	432.54	0.93%	47.66%
Total	71,169.28	100.00%	46,660.46	100.00%	52.53%

Note: Figures are rounded to two decimal places; minor discrepancies due to rounding are not calculation errors.

## II. Industry Overview during the Reporting Period

DRCO is required to comply with the disclosure requirements for "Jewelry-related Businesses" as outlined in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

DRCO is required to comply with the disclosure requirements for "Retail Industry" as outlined in the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure*.

### (III) Overview of Macroeconomic Environment and Market Conditions

In 2025, amid a complex and evolving international economic and trade environment, China implemented more proactive fiscal policies and moderately loose monetary policies to boost domestic demand and stimulate consumption. Total retail sales of consumer goods reached RMB 50.1 trillion for the year, representing a year-on-year increase of 3.7%. Final consumption expenditure contributed 52% to economic growth, up by 5.0% from the previous year, continuing to serve as the primary growth driver. Real growth in per capita disposable income of households reached 5.0%, providing fundamental support for the stable performance of the consumer market. The consumption structure continued to improve, with services consumption accounting for 46.1% of total consumption expenditure. Household consumption is shifting from a primarily goods-driven model to a more balanced structure between goods and services consumption.

## (II) Industry Development Trends

### 1. Market size and category landscape

According to the *2025 China Jewelry Industry Development Report* released by the Gems & Jewelry Trade Association of China, the total market size of China's gems and jewelry industry reached approximately RMB 978 billion in 2025 in terms of sales revenue, hitting a historical high and representing a year-on-year increase of 25.6%. Among this, the gold jewelry market reached approximately RMB 760 billion, up

33.61% year-on-year, accounting for about 77.7% of the overall jewelry market; the diamond jewelry market reached approximately RMB 48 billion, up 11.63% year-on-year, accounting for about 4.9%. Overall, the industry in 2025 demonstrated the following characteristics: a moderate recovery in the retail market; accelerated optimization and restructuring of offline channels; slower growth in domestic e-commerce for jewelry, while cross-border e-commerce contributed significantly to exports; uneven performance across market segments by category; and a contraction in innovation and R&D intensity. In addition, the jewelry auction market and demand for high-end jewelry showed strong upward momentum.

According to the latest data from the National Bureau of Statistics of China, retail sales of gold, silver, and jewelry by enterprises above the designated size reached RMB 373.6 billion in 2025, representing a year-on-year increase of 12.8%, significantly higher than the overall growth rate of retail sales of commodities (RMB 44,322 billion in 2025, up 3.8% year-on-year). This growth was supported by several factors, including the release of investment demand driven by rising gold prices, a phased recovery in the wedding market, and the rebound in accessory-related consumption following the restoration of offline social activities.

According to the *2025 Chinese Personal Luxury Goods Market* report published by Bain & Company, the decline in the Chinese Mainland's luxury goods market narrowed significantly. The jewelry category saw its sales contraction narrow from 25%–30% in 2024 to 0%–5%, indicating that the industry is gradually emerging from the downturn and reflecting continued consumer preference for jewelry products that offer both emotional value and value-preservation attributes.

## **2. Gold category: investment-driven demand and consumption structure transformation**

According to the *Gold Demand Trends 2025* report released by the World Gold Council, global gold demand reached 5,002 tonnes in 2025, a record high. Among this, investment demand surged by 84% to 2,175 tonnes, becoming the key driver behind the record level of global gold demand. Driven by the continued rise in gold prices, the U.S. dollar gold price increased by 67% year-on-year in 2025. Global gold jewelry consumption demand declined by 18% year-on-year, while the total value of gold jewelry consumption climbed 18% to US\$172 billion, reflecting the enduring appeal of gold jewelry to consumers.

In the domestic market, the *China's Gold Demand Trends 2025* report released by the World Gold Council showed that total gold demand in China reached 1,003 tonnes in 2025, up 6% year-on-year and the highest level since 2021. Consumption value reached RMB 796 billion, representing a significant increase of 53% year-on-year. Among categories, demand for gold bars and coins reached 432 tonnes, up 28% year-on-year and setting a new historical record. Gold jewelry demand totaled 360 tonnes, down 25% year-on-year, but consumption value reached RMB 281.4 billion, up 8% year-on-year and close to historical peak levels, indicating that domestic consumers' willingness to purchase gold jewelry remains strong. The report further noted that, amid elevated gold prices and pressure on household income growth, consumers were increasingly inclined toward cost-effective gold products, while demand for high-end boutique pieces remained resilient. Heavy antique gold jewelry featuring handcrafted techniques and higher workmanship premiums performed steadily in premium channels. Overall, the domestic gold jewelry market showed strong resilience and growth potential.

The China Gold Association indicated that, influenced by factors such as high gold prices and new tax policies, China's gold market exhibited diversified demand trends characterized by premiumization, lightweight design, and high cost-effectiveness, catering to differentiated consumer preferences. Notably, consumption of gold bars and coins exceeded gold jewelry consumption for the first time in 2025, marking a significant structural shift in the domestic gold market and reflecting a continued strengthening of consumers' recognition of gold's investment attributes.

## **3. Diamond category: structural adjustment and value differentiation**

In 2025, the global diamond industry entered a critical phase of structural adjustment and value differentiation. Supply contraction, shifting demand scenarios, and the restructuring of certification systems jointly reshaped the industry landscape. In terms of pricing, data from the International Diamond Exchange (IDEX) showed that the polished diamond price index declined by 10.9% year-on-year in 2025, with the magnitude of decline narrowing compared with 2024, indicating gradual market stabilization.

Supply continued to contract. According to data from the Shanghai Diamond Exchange, global natural diamond production fell to 110 million carats in 2024, the lowest level since 1995, highlighting increasing scarcity. On the demand side, structural adjustment was evident. The *China Diamond Acquisition Study 2025* released by De Beers indicated that non-bridal natural diamond consumption accounted for 81% of total spending in China, with gifting and self-purchase emerging as key growth drivers. The average price per stone rose by 1.8% despite market headwinds, while the investment-grade diamond price index increased by 5.2%, reflecting resilient demand for high-quality diamonds. The consumer base also showed trends toward younger and higher-income demographics, with Gen Z exhibiting the strongest purchase intent among all age groups.

The industry certification system further clarified the value boundary between natural diamonds and lab-grown diamonds, accelerating value segmentation. In 2025, the Gemological Institute of America (GIA) announced that it would cease using the 4Cs grading system (Cut, Colour, Clarity, Carat) for lab-grown diamonds, while the HRD Antwerp announced that it would stop issuing quality certificates for loose lab-grown diamonds starting in 2026. These coordinated adjustments by global authoritative grading institutions further reinforced the unique positioning of natural diamonds in terms of scarcity, emotional value, and investment attributes, accelerating the industry's transition toward a dual-track structure with clearer value differentiation: lab-grown diamonds continue to penetrate the FMCG accessories segment, while natural diamonds remain dominant in core high-end scenarios such as weddings, emotional commemorations, and collectible investments.

### **(III) Industry Competitive Landscape**

2025 represents a pivotal period of structural reshaping in China's gold jewelry industry, during which the industry development logic and competitive landscape underwent profound transformation. Driven by adjustments in gold taxation policies, increasingly rational consumer demand, and intensifying competition in the existing market, the industry has officially moved away from an extensive growth model reliant on policy dividends, scale expansion, and homogeneous low-price competition, and is fully shifting toward a new stage of high-quality development centered on brand value, original design, cultural empowerment, and compliant operations.

Currently, the industry is characterized by intensifying competition in the existing market, ongoing optimization of channel structures, rising market concentration, and a transition from price-driven to value-driven competition. Retail outlets are shifting from scale expansion to structural adjustment, with underperforming stores being continuously phased out, and resources increasingly concentrating toward high-quality enterprises with advantages in branding, R&D and innovation, supply chain integration, and omnichannel operations. According to data from the Gems & Jewelry Trade Association of China, the total number of stores of 11 A-share listed jewelry companies reached 21,997 at the end of 2025, a decrease of 7.19% compared with the end of 2024, indicating that the industry is accelerating its transition from "scale-driven growth" to "quality-driven development."

As the market order continues to improve and consumers place greater emphasis on craftsmanship and cultural connotation, product innovation, cultural IP, and brand premium have become core competitive advantages. The industry is at a critical stage of improving quality and efficiency, and undergoing transformation and upgrading. Compliant operations and value creation will become the main themes of long-term competition in the future.

### **(IV) Industry Development Trends**

Looking ahead, the jewelry industry is expected to achieve high-quality development driven by policy support, consumption upgrading, product category evolution, channel transformation, technological innovation, and brand enhancement. Relevant government authorities have introduced policies supporting the development of the jewelry sector into a hundred-billion-yuan consumer growth driver, promoting the industry's upgrade toward premiumization, branding, and personalization. At the same time, policies encourage emotion-driven and experience-based service consumption, facilitating a shift in consumption from "purchasing products" to "enjoying the process," thereby injecting policy momentum for high-quality industry development. The new generation of consumers places greater emphasis on personalized

expression and emotional value, with increasingly rational purchasing decisions. Products with emotional value, cultural connotation, and value preservation attributes are gaining stronger market preference, while experiential, scenario-based, and emotional consumption is becoming an important development direction. The product category structure continues to improve, the hedging and investment attributes of gold continue to strengthen, and the industry is gradually forming a dual-engine growth pattern driven by both consumption and investment. The diamond industry is entering a phase of structural adjustment, with high-quality positioning, expansion beyond wedding scenarios, and clearer value segmentation emerging as core trends, further highlighting the scarcity and emotional value of natural diamonds. Channel development is accelerating toward integrated online-offline convergence. DTC model, immersive experience, and standardized services have become key competitive capabilities. The logic of channel development is shifting from scale expansion to improvements in operational efficiency and user experience. New technologies such as AI, AR/VR, and big data are deeply penetrating the entire value chain—including jewelry design, R&D, marketing, customer service, and supply chain management—continuously enhancing operational efficiency and consumer experience. Industry competition is evolving from product and price-based competition toward brand value competition. Brands with distinctive emotional positioning, cultural depth, and value propositions are expected to build defensible competitive moats and gain advantages in industry consolidation.

### **III. Analysis of Core Competitiveness**

Anchored in the philosophy of true love as its long-term strategic foundation, DRCO has built sustainable core competitiveness across brand, users, channels, supply chain, and products. Through continuous brand building, the Company has formed a distinctive value proposition; through refined user operations, it has accumulated long-term trust; through a fully self-operated DTC model, it delivers a consistent experience; through a flexible and customized supply chain, it achieves efficient operations; and through user-driven product innovation, it continuously enhances brand vitality, which collectively support the brand's long-term and steady development.

#### **(I) Brand Building Capability**

With "One Love, One Lifetime" as its core value proposition, DRCO has established a highly recognizable brand system. Through the purchasing rule that "You Can Only Buy for One Person," the brand deeply resonates with consumers' aspirations for exclusivity and enduring commitment in romantic relationships. Leveraging identity binding and blockchain technology, the DR brand transforms love commitments into traceable and trustworthy True Love Agreements, enabling a natural shift in consumer demand from jewelry aesthetics to emotional needs centered on loyalty and enduring commitment in love. At the same time, supported by a professional brand operations team, the Company continuously communicates its brand values through diversified new media channels, cultivating a loyal user base with strong brand identification and effectively enhancing brand influence and market awareness. Based on its distinctive emotional positioning and non-replicable value proposition, DR differentiates itself significantly from comparable products and forges an unassailable brand mindshare moat in the hearts of consumers.

#### **(II) User Operations Capability**

DRCO continuously communicates its true love philosophy through diversified channels, including social media platforms, short-video platforms, news and information platforms, and search engines. Through sincere interaction with users, the Company builds long-term trust and emotional resonance at the value level, gaining increasing recognition from consumers. As of the end of the Reporting Period, the Company had more than 30 million followers across domestic new media platforms and over 1 million followers on overseas social platforms. Driven by strong identification with the brand's true love values, users proactively share their love stories and ceremonial moments, generating authentic word-of-mouth communication and continuously strengthening emotional connections between the brand and its users.

#### **(III) omni-channel DTC Operations Capability**

DRCO adheres to a fully self-operated online and offline channel management model, building a closed

consumption loop featuring "deep offline experience + efficient online conversion." Offline stores create immersive brand experience spaces, providing end-to-end emotional experiences ranging from try-on services and proposal planning to signing the True Love Agreement, thereby reinforcing perception of the brand value. Online, through the official website, mini-programs, and flagship stores on third-party platforms, the Company leverages digital tools such as 3D virtual try-on and intelligent ring size estimation to achieve precise customer reach and efficient conversion. The fully self-operated model ensures unified service standards and complete delivery of brand value, providing strong channel support for user loyalty.

#### **(IV) Customized Flexible Supply Chain Capability**

DRCO adopts customized sales as its core model. After consumers select styles, diamond 4C parameters, ring setting materials, ring size, and personalized engraving requirements, order information is synchronized in real time to the supply chain system, precisely driving production scheduling, inventory allocation, and product delivery, forming full-chain digital management from consumer demand to manufacturing. This model not only satisfies consumers' emotional demand for exclusivity in love, but also helps the Company optimize inventory levels, control store expansion costs, and maintain healthy cash flow, enabling asset-light and efficient operations. Based on the principle of "demand-driven production," a comprehensive flexible supply chain system has been established, coordinating supply chain management centers, outsourced manufacturers, and raw material suppliers to ensure product quality and delivery efficiency.

#### **(V) Product Innovation and R&D Capability**

Leveraging its Paris design center and internationally renowned jewelry designers, DRCO has developed a product portfolio that combines distinct brand identity and emotional resonance. As of the end of the Reporting Period, the Company had accumulated more than 300 national patents, and its product designs had received multiple international awards, including the MUSE Design Awards, IDA Design Awards, and the New York Product Design Awards. With solid R&D and design capabilities and substantial user assets, the Company achieves deep synergy and mutual empowerment between user assets and product innovation. Front-end user preferences continuously provide authentic inspiration for product development, forming an efficient closed loop from demand identification to design response and agile iteration. Innovative products carrying true love further stimulate user resonance and sharing willingness, ultimately driving a sustained positive cycle of brand value.

### **IV. Analysis of Main Business**

#### **1. Overview**

##### **(I) Overview of Operating Performance in the Reporting Period**

In 2025, DRCO strengthened brand building and channel optimization, with a focus on improving quality and efficiency. Revenue and net profit recorded steady year-on-year growth, and operating performance showed a stable and improving trend. During the Reporting Period, the Company recorded revenue of RMB 1,520.12 million, representing a year-on-year increase of 2.54%; net profit of RMB 139.10million representing a year-on-year increase of 162.32 %; and net profit after non-recurring items of RMB 4.21 million, representing a year-on-year increase of 103.33 %, successfully turning losses into profits, with operating quality continuing to improve.

The growth in performance was mainly attributable to the following factors. First, channel optimization delivered notable results. The number of operating stores was 345 at period end, representing a net reduction of 28 stores compared with the previous year. Single-store revenue reached RMB 3.50 million, representing a year-on-year increase of 25.99%. The Company achieved steady revenue growth despite the reduction of store count. Second, operating cost control was effective. Store rental, renovation, and labor costs decreased by RMB 103.84 million year-on-year, while selling expenses declined, supporting improved profitability.

In summary, by strengthening brand momentum and continuously optimizing channel layout, DRCO further improved store efficiency. Together with effective cost control, these efforts drove steady growth in operating performance and continuous enhancement of core competitiveness.

## (II) Overview of Operations and Management during the Reporting Period

In 2025, DRCO adhered to its corporate vision of "becoming a global leader in true love culture," and upheld its mission of "helping more people express love, making love last forever." Guided by the core brand philosophy of "One Love, One Lifetime," the Company focused on three key areas—brand building, product innovation, and channel efficiency enhancement—achieving coordinated and high-quality development across its businesses.

### 1. Brand building: centered on true love to build global emotional connections

The Company remains committed to the true love philosophy and continues to build differentiated brand barriers through cultural communication, scenario creation, user co-creation, and the fulfillment of social responsibility, thereby strengthening user emotional identification and global brand influence.

#### (1) Deepening global communication and expanding international influence

During the Qixi Festival 2025, DRCO hosted a Chinese cultural experience event at its Paris store located in the Carrousel du Louvre Shopping Mall, conveying the brand's emotional value to the international market. The event received coverage from major international media outlets such as Agence France-Presse and the Associated Press, with online exposure exceeding 32 million impressions. On domestic social media, the topic "#French people were touched by the romance of Chinese Qixi#" ranked third on Weibo's social trending list. In overseas markets, brand communication effectiveness and user identification steadily improved. Awareness of the brand name "DARRY" as a symbol of true love commitment continued to expand, while spontaneous user sharing and recommendations became an important communication channel. Meanwhile, internationally renowned figures Sophie Marceau, Juliette Binoche, and Isabelle Huppert wore the Company's products at major events on multiple occasions, further enhancing the brand's international reputation and cross-cultural recognition.



#### (2) Advancing the global true love landmark initiative to build scenario-based brand cultural assets

In January 2025, DRCO officially launched the global true love landmark initiative. Through cross-sector collaboration with iconic cultural and tourism destinations in China and overseas, the Company aims to build a global network of love-themed cultural landmarks, extending the brand philosophy from product-based expression to spatial experiences and enabling the physical and experiential realization of its cultural assets.

During the Reporting Period, the first landmark was established on Changbai Mountain. Through immersive spatial designs such as "Ice Heart Island," the "1314 True Love Path," and the "Lifetime Lock," the brand philosophy of "One Love, One Lifetime" was integrated with local cultural elements, creating a scenario-based "jewelry + cultural tourism" experience model. The "1314 True Love Path," which passes through 99,000 century-old Changbai Scotch pines, offers a ritualized experience of "ringing the bell of happiness – walking the true love path – hanging a lifetime lock," strengthening users' emotional resonance and further enriching the brand's cultural connotations and user touchpoints. Going forward,

DRCO will continue to expand the global layout of true love landmarks and accumulate long-term, sustainable brand cultural assets.



### **(3) Deepening user co-creation and scenario-based services to build full-lifecycle emotional connections**

In terms of content co-creation with users, the Company focused on key emotional occasions such as "520" and Qixi Festival, launching the "520 Proposal Campaign" UGC initiative to encourage users to share true love stories. This generated highly interactive and widely disseminated content, including proposal stories at concerts and on snow-capped mountains, several of which achieved million-level engagement, upgrading brand communication from one-way messaging to user co-creation.

In terms of service extension, DRCO continued to expand love-related service scenarios and introduced exclusive services such as proposal planning and customized engagement ceremonies, extending its business scope to "accompanying important moments in love." During the Reporting Period, the Company witnessed more than 170,000 expressions of true love and assisted in organizing over 15,000 true love declaration ceremonies. High-frequency, high-quality emotional services further deepened user trust and strengthened brand loyalty.

During the Reporting Period, several public figures chose DR to witness their emotional commitments at key life moments such as proposals, weddings, and anniversaries. Olympic badminton mixed doubles champion Huang Yaqiong and Liu Yuchen entered into marriage; Olympic weightlifting champion Liu Huanhua proposed to his partner of six years after winning the title at the National Games of China; Huang Zitao and Xu Yiyang held their wedding; Wu Chun customized a DR ring for his partner of twenty-nine years; and Jing Chao held a proposal ceremony for his wife Li Lin on their eleventh wedding anniversary. These authentic love stories, centered on long-term companionship and loyal commitment, strongly align with DR's brand philosophy and further reinforce the brand's social recognition and emotional resonance.



#### **(4) Promoting true love-themed public welfare initiatives and scenario-based communication to enhance brand value recognition**

During the Reporting Period, DRCO actively carried out true love-themed public welfare activities and innovative scenario-based communication, conveying its brand philosophy in ways closer to everyday life and strengthening social value recognition.

In May, the Company launched the "DR Golden Rain" public welfare campaign. Gold products printed with heartfelt messages were distributed to encourage the public to cherish their loved ones. The campaign covered multiple cities nationwide and reached more than 5 million people, promoting the natural integration of the true love philosophy into daily life scenarios.

During Valentine's Day, the Company collaborated with Shenzhen Metro to create an immersive emotional communication space. The project featured authentic user stories such as "receiving a large diamond ring even after ten years of marriage," transforming the commuting environment of the metro into a platform for brand emotional communication, which enabled continuous brand message penetration in everyday and fragmented scenarios and achieved an organic integration of brand value and social emotional value.

## **2. Product innovation: design- and R&D-driven approach to strengthen differentiated competitive advantages**

DRCO takes design and R&D as its core engine, closely aligned with the strategic direction of brand upgrading and market expansion. Centered on brand identification, collection development, and premiumization, the Company carries out systematic R&D and innovation, continuously deepening brand DNA, accumulating patented technologies, and iterating process standards. These efforts strengthen the deep integration between products and core brand values, building long-term differentiated competitive barriers through R&D capabilities. In 2025, DRCO further intensified its R&D and innovation efforts. A total of 148 new patents were authorized during the year, including 139 design patents, 5 domestic utility model patents, and 4 international utility model patents. The Company successfully launched 301 new products during the year, representing a year-on-year increase of 100.67%, with the conversion efficiency of R&D achievements steadily improving.

### **(1) Iterative upgrades of core product collections to enhance competitiveness of signature products**

The Company continued to advance iterative innovation in its core engagement ring and wedding band collections, building a highly recognizable product portfolio through proprietary craftsmanship and original design. The DR HEART set, a core signature collection of the engagement ring category, was newly launched in June 2025. Featuring the proprietary free-setting technique, the ring enables free rotation and dual-wear functionality. The design language echoes the concept of "paying tribute to every woman who loves freely," while comprehensively accommodating diverse wearing scenarios.



The YOU & ME collection of wedding bands with black and white diamonds, a core collection in the wedding band category, innovatively adopts the Company's proprietary patented "Invisible Suspension Setting" technique, achieving both a visual and technical breakthrough by creating the effect of diamonds appearing to float in mid-air. To further establish authoritative standards for black diamond products, the Company collaborated with the International Gemological Institute (IGI) to pioneer a grading and certification system for black diamonds, launching the industry's first certificate covering black diamond attributes and color grading, thereby building an industry-leading advantage through technical standards.



## (2) Strategically expanding into the high-end bridal gold category to enhance the full-lifecycle love product matrix

In the second half of 2025, DRCO strategically expanded into the high-end bridal gold segment, launching the "One Lifetime, One Love" gold wedding band collection and the high-end bespoke "DR Qianjin Tiara" bridal gold collection. This marks the Company's initial establishment of a full-lifecycle product matrix covering engagement rings, wedding bands, high-end bridal gold, and anniversary gifts. The Company has thus extended strategically from a single proposal scenario to the entire love lifecycle, upgrading its business model from one-time purchases to long-term user companionship and full-lifecycle user operations.

The "Qianjin Tiara" collection deeply integrates traditional Chinese wedding culture with modern design aesthetics. The signature design "Dragon Scale and Phoenix Feather" draws inspiration from the Nine-Dragon Nine-Phoenix Crown of Empress Xiaoduan of the Ming Dynasty housed in the Palace Museum.

Featuring the classic form of nine dragon scales and nine phoenix feathers, the design embodies the auspicious symbolism that "the dragon and phoenix bring harmony" in traditional Chinese wedding culture. The collection adopts an innovative convertible structural design. Leveraging a self-developed precision mechanism, the pieces can be flexibly transformed among bracelet, necklace, brooch, earrings, pendant, and tiara forms, balancing ceremonial presence with daily practicality and delivering the product value of "multiple uses in one piece, lifelong companionship."



The "One Lifetime, One Love" collection is centered on the concept of "Love endures through comfort," focusing on the essential requirement of wedding rings as everyday wear. The products adopt classic silhouette designs and incorporate DRCO's proprietary ergonomic "Piano Master" ring shank patent technology, with an inner arc that naturally conforms to finger contours for lightweight and comfortable wear. The metal surface further features an innovative finish inspired by traditional embroidery textures, enhancing refinement and premium feel. In addition, the collection offers multiple material and gemstone combinations, accommodating both personalized expression and the preservation of classic design traditions.



### (3) Continued breakthroughs in international design awards and further enhancement of the R&D system

During the Reporting Period, DRCO's product design capabilities continued to receive recognition from international professional institutions. The DR ETERNAL RING Collection, the Dragon Scale & Phoenix Feather Collection, and the Promise of Love Set received Honorable Mentions at the 2025 IDA Design Awards. The DR Heart Love & Free Set, DR PIXIU Collection, and DR Qianjin Tiara (KING & QUEEN) Collection won a total of 12 major international awards, including the Gold Winner at the 2025 MUSE Design Awards, the 2025 New York Product Design Awards, the 2025 iLuxury Awards, the 2025 IDA Design Awards, and the SHOP! Design Awards. These awards covered multiple dimensions, including design innovation, craftsmanship aesthetics, and functional structure, demonstrating globally leading design and R&D capabilities. As of the end of the Reporting Period, DRCO had accumulated 333 design

patents and 35 utility model patents. The number, quality, and technical barriers of its patents all rank among the leading levels in the industry, providing solid support for continuous product innovation and long-term brand development.



DR Heart Love &amp; Free Set



DR PIXIU Collection



DR Qianjin Tiara (KING&amp;QUEEN)



Gold Winner, 2025 MUSE DESIGN AWARDS  
Silver Winner, 2025 NY PRODUCT DESIGN AWARDS  
Best Luxury Design  
Best Luxury Jewelry Design, 2025 iLUXURY AWARDS  
Honorable Mention, 2025 IDA DESIGN AWARDS  
Silver, 2025 SHOP! DESIGN AWARDS



Silver Winner, 2026 MUSE DESIGN AWARDS  
Best Luxury Design  
Best Luxury Jewelry Design, 2025 iLUXURY AWARDS  
Winner, 2025 SHOP! DESIGN AWARDS



Silver Winner, 2025 NY PRODUCT DESIGN AWARDS  
Silver Winner, 2026 MUSE DESIGN AWARDS  
Best Luxury Design  
Best Luxury Jewelry Design, 2025 iLUXURY AWARDS  
Bronze, 2025 SHOP! DESIGN AWARDS

### 3. Channel upgrade: dual enhancement of efficiency and experience

Based on the Company's established dual-track model of "Red Gold Stores + Black Gold Stores," DRCO continued to develop a three-dimensional channel network covering global landmark locations, core commercial districts, and high-potential cities. During the Reporting Period, the Company focused on "optimizing store layout and prioritizing high-value scenarios," promoting simultaneous improvements in store efficiency and consumer experience through channel structure optimization, store image upgrades, and operational model iterations.

#### (1) Upgrading store image to build immersive brand cultural experience spaces

In 2025, DRCO continued to advance the upgrading of offline stores under its "quality and efficiency improvement" strategy. During the Reporting Period, 78 Red Gold stores were renovated and upgraded, covering most first-tier and new first-tier cities, further optimizing the channel structure. The upgrade focused on integrating true love culture with high-end retail aesthetics, with comprehensive enhancements across three key dimensions: spatial functional layout, service process standards, and user interaction experience. The Company transformed offline stores from traditional transaction venues into brand cultural experience centers, further aligning with the trends of immersive, experience-based, and personalized consumption, and strengthening the cultural resonance of offline stores and emotional connections with users. The upgraded stores achieved significant operational improvements, with average sales recording strong year-on-year growth and outperforming the overall store network. The scaled replication of the demonstration store operating model has achieved phased results.



DR Store in Maxland Shopping Mall, Bao'an District, Shenzhen

### **(2) Focusing on high-value channel deployment and continuously optimizing the channel network structure**

DRCO adheres to a channel strategy of "optimizing store layout and prioritizing high-value scenarios," continuously consolidating its channel network toward high-potential locations. In Tier-1 and Tier-2 cities, the Company focuses on entering leading shopping malls such as SKP, IFS, and MixC, strengthening its presence in core commercial landmarks and enhancing brand reach and influence among mainstream consumer groups. For Tier-3 and lower-tier cities, the Company conducts scientific evaluation and precise site selection based on multiple dimensions, including demographic structure, consumption potential, and commercial district tier. Resources are concentrated on cultivating high-quality markets aligned with the brand positioning, ensuring efficient matching between channel layout and consumer demand. During the Reporting Period, DRCO continued to close underperforming stores and optimize intra-city resource allocation, guiding customer traffic toward high-quality stores. These initiatives promoted the transformation of the channel network toward quality enhancement, with continuous improvement in channel operating efficiency and single-store performance.



DR Store in MixC Shenzhen Bay

### **(3) Building an end-to-end digital operations system to empower store efficiency improvement**

Guided by the direction of "standardized operations, intelligent services, and digitalized experience," DRCO continues to enhance its end-to-end digital operations system. Its core information systems have

passed the National Cybersecurity Multi-Level Protection Scheme Level 3 certification, establishing a solid foundation for stable business operations.

The Company continues to strengthen its data infrastructure and has completed the integration of multi-system data covering supply chain, products, and users, enabling unified management of online and offline membership information and real-time data feedback. This provides strong support for precision marketing and full-lifecycle user management. In terms of operational standardization, DRCO accelerates system implementation. Based on mature operational experience from demonstration stores, it has developed a standardized operating model covering four modules: spatial layout, product planning, experience enhancement, and marketing promotion, and initiated large-scale rollout of this model in the Reporting Period. DRCO's intelligent service capabilities continue to improve. Its self-developed AI Coaching System and AI Q&A Audit System have been fully deployed across all stores. Through real scenario simulation and standardized assessment, these systems effectively enhance the professional capabilities of frontline service teams. After the implementation of the intelligent recommendation system based on user preference analysis, store inquiry response efficiency has improved significantly. In terms of customer experience digitalization, the Company launched the mobile terminal "WeiAiGo" for sales associates, integrating product search, inventory checking, intelligent recommendations, and ordering functions to enable an in-store one-stop service loop. In the pickup process, DRCO introduced NFC technology and a brand slogan wall to create interactive digital experiences, further strengthening emotional connections with users. In R&D digitalization, the Company accelerates efficiency improvement through the application of AI-assisted design technology, reducing product prototyping cycles by approximately 70% and enhancing product iteration speed and market responsiveness.

All of the aforementioned digital systems are independently developed by the Company and integrated into a unified data middle platform, enabling full-domain connectivity and efficient synergy of user behaviors, transaction data, and service processes. This has formed a set of digital assets that can be accumulated, repurposed, and continuously improved, providing strong momentum for sustained improvement in channel efficiency and long-term high-quality development.

## 2. Revenue and Cost

### (1) Composition of revenue

Overall revenue performance

Unit: RMB

	2025		2024		YoY change
	Amount	As % of revenue	Amount	As % of revenue	
Total revenue	1,520,123,270.56	100%	1,482,423,153.98	100%	2.54%
By industry					
Jewelry	1,503,052,226.80	98.88%	1,474,288,180.73	99.45%	1.95%
Other businesses	17,071,043.76	1.12%	8,134,973.25	0.55%	109.85%
By product					
Engagement rings	1,134,543,007.27	74.63%	1,135,857,760.62	76.62%	-0.12%
Wedding bands	320,576,493.04	21.09%	296,072,560.15	19.97%	8.28%
Other jewelry products	47,932,726.49	3.15%	42,357,859.96	2.86%	13.16%

Other businesses	17,071,043.76	1.12%	8,134,973.25	0.55%	109.85%
By region					
East China	480,359,438.51	31.60%	499,425,090.14	33.69%	-3.82%
North China	220,999,574.33	14.54%	216,919,290.95	14.63%	1.88%
South China	215,030,089.35	14.15%	191,968,119.17	12.95%	12.01%
Southwest China	160,454,394.05	10.56%	172,472,211.45	11.63%	-6.97%
Central China	121,624,910.64	8.00%	127,297,893.60	8.59%	-4.46%
Northwest China	113,242,464.43	7.45%	115,045,085.78	7.76%	-1.57%
Northeast China	110,591,046.41	7.28%	108,395,114.38	7.31%	2.03%
Hong Kong, Macao, and Taiwan	3,791,718.09	0.25%	3,525,062.07	0.24%	7.56%
Overseas	94,029,634.75	6.19%	47,375,286.44	3.20%	98.48%
By sales model					
Online self-operated channel	309,557,792.01	20.36%	242,014,161.01	16.33%	27.91%
Offline direct-operated stores	1,070,269,034.61	70.41%	1,115,306,202.70	75.23%	-4.04%
Offline joint-operated stores	123,225,400.18	8.11%	116,967,817.02	7.89%	5.35%
Other businesses	17,071,043.76	1.12%	8,134,973.25	0.55%	109.85%

**(2) Industries, products, regions, and sales models that account for more than 10% of DRCO's revenue or operating profit**

Applicable Not applicable

Unit: RMB

	Revenue	Cost of revenue	Gross margin	YoY change in revenue	YoY change in cost of revenue	YoY change in gross margin
By industry						
Jewelry	1,503,052,226.80	495,394,235.70	67.04%	1.95%	-2.44%	1.48%
By product						
Engagement rings	1,134,543,007.27	332,666,142.16	70.68%	-0.12%	-5.72%	1.74%
Wedding bands	320,576,493.04	132,714,096.20	58.60%	8.28%	3.74%	1.81%

By region						
North China	220,999,574.33	73,271,401.32	66.85%	1.88%	1.02%	0.29%
East China	480,359,438.51	161,744,664.55	66.33%	-3.82%	-4.38%	0.20%
South China	215,030,089.35	85,854,357.26	60.07%	12.01%	16.21%	-1.45%
Southwest China	160,454,394.05	52,934,235.00	67.01%	-6.97%	-5.92%	-0.37%
By sales model						
online self-operated	309,557,792.01	103,352,464.79	66.61%	27.91%	15.31%	3.65%
offline direct-operated	1,070,269,034.61	349,184,528.07	67.37%	-4.04%	-7.38%	1.17%

In the event that the statistical calibre of the Company's principal operating data has been adjusted during the Reporting Period, the Company's principal operating data for the most recent year have been restated in accordance with the calibre as of the end of the Reporting Period.

Applicable Not applicable

### (3) Whether DRCO's sales revenue from physical goods is more than that from services

Yes No

Industry classification	Item	Unit	2025	2024	YoY change
Jewelry <sup>1</sup>	Sales	Pieces	234,070	260,153	-10.03%
	Production				
	Inventory	Pieces	221,887	200,901	10.45%
	Procurement	Pieces	255,056	235,072	8.50%

Note: 1. The statistical data don't cover product accessories (such as ear studs, chain tags, etc.) as well as low-value silver and copper accessories. The sales volume include post-sale transactions of goods and gold melting transactions.

Explanation of reasons for changes of 30% or more year-on-year in relevant data

Applicable Not applicable

### (4) Performance status of major sales contracts and major procurement contracts signed by the Company as of the end of the Reporting Period

Applicable Not applicable

### (5) Composition of cost of revenue

Industry and product classification

Unit: RMB

Industry classification	Item	2025		2024		YoY change
		Amount	As % of cost of revenue	Amount	As % of cost of revenue	

Jewelry	Cost of revenue	495,394,235.70	95.33%	507,787,350.88	99.25%	-2.44%
Other businesses	Cost of revenue	24,250,908.54	4.67%	3,831,688.94	0.75%	532.90%

Unit: RMB

Product classification	Item	2025		2024		YoY change
		Amount	As % of cost of revenue	Amount	As % of cost of revenue	
Engagement rings	Cost of revenue	332,666,142.16	64.02%	352,833,294.89	68.96%	-5.72%
Wedding bands	Cost of revenue	132,714,096.20	25.54%	127,933,815.61	25.01%	3.74%
Other jewelry products	Cost of revenue	30,013,997.34	5.78%	27,020,240.38	5.28%	11.08%
Other businesses	Cost of revenue	24,250,908.54	4.67%	3,831,688.94	0.75%	532.90%

Note: During the Reporting Period, total cost of revenue amounted to RMB 519.65 million, representing an increase of 1.57% compared with the same period of the previous year. The increase was primarily attributable to the 2.54% growth in the Company's revenue during the Reporting Period, which led to a corresponding increase in cost of revenue.

#### (6) Whether there were changes in the scope of consolidation during the Reporting Period

Yes  No

During the Reporting Period, the Company newly established one subsidiary and one sub-subsidiary, and deregistered two subsidiaries, as detailed below:

Company name	Date of establishment/deregistration	Method for changing the consolidation scope	Shareholding ratio
DR Design (Shenzhen) Co., Ltd.	2025/3/31	Newly established in 2025	100%
DARRY RING JEWELRY (MALAYSIA) SDN. BHD.	2025/11/27	Newly established in 2025	100%
Henan DR Jewelry Co., Ltd.	2025/7/11	Deregistered in 2025	100%
Hangzhou DR True Love Jewelry Co., Ltd	2025/7/3	Deregistered in 2025	100%

#### (7) Material changes or adjustments in the Company's business, products, or services during the Reporting Period

Applicable  Not applicable

#### (8) Key sales customers and suppliers

Key sales customers

Total sales amount from the top five customers (RMB)	11,342,137.69
Percentage of total annual sales attributable to the top five customers	0.73%
Related-party sales within total sales from the top five customers as a	0.00%

proportion of total annual sales	
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### Information about the top five customers

No.	Customer name	Sales (RMB)	As % of total annual sales
1	Customer 1 <sup>1</sup>	8,393,792.53	0.55%
2	Customer 2 <sup>2</sup>	1,244,468.21	0.08%
3	Customer 3	641,398.20	0.04%
4	Customer 4	531,504.42	0.03%
5	Customer 5	530,974.33	0.03%
Total	--	11,342,137.69 <sup>3</sup>	0.73%

Notes:

1. This customer mainly purchases the Company's raw materials.
2. This customer mainly purchases the Company's raw materials.
3. All sales amounts in the table are exclusive of tax.

### Explanation of other information regarding key customers

Applicable Not applicable

### Key suppliers

Total procurement amount from the top five suppliers (RMB)	451,967,819.35
Percentage of total annual procurement attributable to the top five suppliers	62.72%
Related-party procurement within total annual procurement from the top five suppliers as a proportion of total annual procurement	0.00%

### Information about the top five suppliers

No.	Supplier name	Procurement amount (RMB)	As % of total annual procurement
1	Supplier 1	358,822,020.60	49.80%
2	Supplier 2	29,538,633.07	4.10%
3	Supplier 3	24,276,562.29	3.37%
4	Supplier 4	20,716,362.41	2.87%

5	Supplier 5	18,614,240.98	2.58%
Total	--	451,967,819.35 <sup>1</sup>	62.72%

Note: All purchase amounts in the table are exclusive of tax.

Explanation of other information regarding key suppliers

Applicable Not applicable

Revenue from trading business accounted for more than 10% of total revenue during the Reporting Period

Applicable Not applicable

### 3. Expenses

Unit: RMB

	2025	2024	YoY change	Explanation of material changes
Selling expenses	751,560,974.17	815,592,363.96	-7.85%	Primarily due to the Company's optimization of low-potential stores, resulting in year-on-year decreases in store-related rent, renovation, and personnel costs.
Administrative expenses	143,704,100.95	143,151,851.03	0.39%	
Financial expenses	46,556,728.33	8,249,160.02	464.38%	Primarily due to the year-on-year increase in exchange differences arising from translation of foreign currency financial statements.
R&D expenses	14,717,312.04	17,924,589.44	-17.89%	

### 4. R&D investment

Applicable Not applicable

Name of key R&D project	Project purpose	Project progress	Intended objectives	Expected impact on the Company's future development
Development of a rule engine-based cross-border logistics data collaboration and automated customs declaration system	This project aims to build an intelligent cross-border customs declaration management system to enable configurable customs declaration information, automated document generation, and full-process status tracking, thereby improving customs clearance efficiency and compliance.	In progress	To achieve configurable customs declaration information, automated document generation, and full-process status tracking, meeting standardized operational requirements across multiple countries and ports.	Reduce compliance risks and operational costs, improve supply chain responsiveness, and provide strong digital support for the Company's global expansion.
Development of an omni-channel intelligent customer data integration and insights platform	This project aims to integrate multi-dimensional customer data across the entire customer lifecycle, establish a unified customer view, support precision marketing and refined operations,	In progress	To break down data silos, enable visualization and operability of customer assets, and improve customer insight and sales	Facilitate private traffic accumulation, strengthen customer relationship management, drive business growth, and enhance user engagement

	and unlock long-term customer value.		conversion efficiency.	with the brand.
Development of a unified omni-channel membership points and benefits management system	This project aims to build an integrated membership points and benefits operation system, connect multi-channel data, and enhance member engagement and loyalty.	In progress	To achieve full-process digital management of membership points, tiers, and benefits, and establish a clear membership growth pathway.	Improve member repurchase rate and sales conversion, promote the transformation toward refined membership operations, and strengthen the Company's private-domain user base.
Development of a touch-sensor-based interactive smart wedding band system	This project aims to integrate emotional interaction and intelligent monitoring technologies to develop smart wearable products for couples, extending the brand's "true love" philosophy into digital scenarios.	In progress	To enable functions such as remote emotional interaction and health monitoring, align with the brand's true love certification system, and meet product performance requirements.	Advance the brand's expansion into the emotional technology sector, enrich the product portfolio, strengthen emotional connection with users, and build differentiated competitive advantages.
Development of a visualized business decision-making platform supporting multi-source data integration and intelligent analysis	This project aims to build an integrated data-driven decision-making platform that consolidates full-chain operational data and provides real-time and accurate decision support for management at all levels.	In progress	To enable intelligent analysis of operational data, visualized monitoring, and risk early warning, empowering the digital transformation of the retail business.	Comprehensively enhance operational insight and decision-making efficiency, optimize operating strategies, strengthen digital operation capabilities, and support the long-term implementation of the Company's strategy.
Diamond jewelry R&D and creative design center construction project	This project aims to enhance product development and design capabilities to deal with market competition; further design classic products to strengthen brand recognition; introduce scarce IP to elevate brand positioning	In progress	To increase investment in R&D and design; expand the in-house dedicated R&D and design team; and enhance the Company's independent R&D and design capabilities.	Align with end-consumer needs and enhance the Company's brand influence.

## R&D staff

	2025	2024	YoY change
Number of R&D staff	79	93	-15.05%
R&D staff as % of labor force	3.96%	4.23%	-0.27%
Education background of R&D staff			
Bachelor's degree	46	61	-24.59%
Master's degree	4	4	0.00%
Junior college degree	29	28	3.57%
Age distribution of R&D staff			
<30ys	32	43	-25.58%

30-40ys	33	41	-19.51%
>40ys	14	9	55.56%

### R&D investment and percentage in revenue in last three years

	2025	2024	2023
Total R&D investment (RMB)	14,717,312.04	17,924,589.44	21,715,215.75
R&D investment as a percentage of revenue	0.97%	1.21%	1.00%
Capitalized R&D expenditures (RMB)	0.00	0.00	0.00
Capitalized R&D expenditures as a percentage of total R&D investment	0.00%	0.00%	0.00%
Capitalized R&D expenditures as a percentage of net profit for the period	0.00%	0.00%	0.00%

### Reasons and effects of material changes in the composition of R&D staff

Applicable Not applicable

Reasons for material changes in R&D investment as a percentage of revenue compared with the previous year

Applicable Not applicable

Explanation of reasons for material changes in the R&D capitalization rate and its reasonableness

Applicable Not applicable

### 5. Cash flow

Unit: RMB

Item	2025	2024	YoY change
Subtotal of cash inflows from operating activities	1,616,819,294.88	1,604,267,471.58	0.78%
Subtotal of cash outflows from operating activities	1,893,764,693.21	1,288,111,632.50	47.02%
Net cash flows from operating activities	-276,945,398.33	316,155,839.08	-187.60%
Subtotal of cash inflows from investing activities	7,529,752,403.75	6,809,000,873.81	10.59%

Subtotal of cash outflows from investing activities	7,233,674,750.99	6,722,665,339.71	7.60%
Net cash flows from investing activities	296,077,652.76	86,335,534.10	242.94%
Subtotal of cash inflows from financing activities	940,253,818.60	445,995,680.62	110.82%
Subtotal of cash outflows from financing activities	844,547,771.10	928,722,890.98	-9.06%
Net cash flows from financing activities	95,706,047.50	-482,727,210.36	119.83%
Net increase in cash and cash equivalents	115,645,789.10	-87,176,642.73	232.66%

#### Explanation of key factors contributing to material YoY changes in relevant data

Applicable Not applicable

(1) The increase in cash inflows from operating activities was mainly due to the increase in product sales revenue during the Reporting Period;

(2) The increase in cash outflows from operating activities was mainly due to concentrated payments upon maturity of gold leasing business and increased procurement during the Reporting Period;

(3) The increase in cash inflows from investing activities was mainly due to the recovery of investment principal of wealth management products upon maturity and increase in returns from wealth management products during the Reporting Period;

(4) The increase in cash outflows from investing activities was mainly due to increased payments for investment principal of wealth management products during the Reporting Period;

(5) The increase in cash inflows from financing activities was mainly due to increased bill discounting borrowings during the Reporting Period;

(6) The decrease in cash outflows from financing activities was mainly due to reduced shopping mall rental payments during the Reporting Period.

Explanation of reasons for the material difference between the net cash flows from operating activities during the Reporting Period and the net profit for the year

Applicable Not applicable

(1) Depreciation, amortization, and provisions for asset impairment recognized during the period totaled RMB 186.89 million. Such non-cash expenses reduced profit but did not result in cash outflows;

(2) Net gains and losses related to investing and financing activities during the period amounted to RMB 133.96 million (including returns from wealth management products, financial expenses, etc.). These gains and losses affected net profit, but the corresponding cash flows did not belong to operating activities;

(3) Changes in operating receivables and payables resulted in a net cash outflow of RMB 223.90 million, mainly due to the payment of land consideration for the headquarters project during the period, which led to a decrease in other payables;

(4) Inventory increased by RMB 245.08 million during the period, occupying operating funds and resulting in a corresponding increase in cash outflows from operating activities.

In summary, affected by non-cash gains and losses, non-operating gains and losses, and changes in working capital (operating receivables and payables, and inventories), there was a significant difference between net profit and net cash flows from operating activities during the period.

## V. Non-primary Business

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Reasons	Whether sustainable
Investment income	20,691,165.50	13.93%	Mainly due to the investment income generated from the redemption of bank wealth management products upon maturity.	No
Gains/losses from changes in fair value	147,078,297.61	99.04%	Mainly due to gains on changes in fair value arising from financial assets held for trading confirmed during the Reporting Period.	No
Asset impairments	1,687,236.92	1.14%	Mainly due to the reversal of prior inventory impairment provisions and recognition of impairment losses on long-term assets during the Reporting Period.	No
Non-operating income	1,552,944.61	1.05%	Mainly due to compensation payments received by DRCO.	No
Non-operating expenses	6,580,987.46	4.43%	Mainly due to breach penalties and overdue fines.	No
Gains on disposal of assets	-583,858.66	-0.39%	Mainly due to losses on disposal of long-term assets during the Reporting Period.	No
Other incomes	12,452,164.33	8.39%	Mainly due to immediate refund of VAT levied on diamond imports, and government subsidies.	No
Loss on credit impairment	-74,552.70	-0.05%	Mainly due to the provision of specific bad debt allowance for receivables deemed unlikely to be recovered.	No

## VI. Analysis of Assets and Liabilities

### 1. Material changes in the composition of assets

Unit: RMB

	At the end of 2025		At the beginning of 2025		Change in proportion	Explanation of significant changes
	Amount	As % of total assets	Amount	As % of total assets		
Cash and cash equivalents	255,453,050.05	3.35%	139,789,945.04	1.85%	1.50%	
Accounts receivable	76,231,588.58	1.00%	80,913,074.97	1.07%	-0.07%	
Inventories	707,871,123.88	9.27%	447,453,664.80	5.92%	3.35%	
Long-term equity investments	38,818,109.40	0.51%			0.51%	Mainly due to new investments in associates during the Reporting Period.
Fixed assets	5,614,795.86	0.07%	8,468,744.76	0.11%	-0.04%	
Construction in progress	46,581,024.88	0.61%			0.61%	Mainly due to expenditures incurred for new land projects and capitalized amortization of land use rights during the Reporting Period.
Right-of-use assets	170,335,409.88	2.23%	152,164,147.57	2.01%	0.22%	
Short-term borrowings	790,302,899.14	10.35%	339,509,472.61	4.50%	5.85%	Mainly due to an increase in bill discounting borrowings and credit borrowings as of the end of the Reporting Period.
Contract liabilities	116,030,178.26	1.52%	112,689,599.45	1.49%	0.03%	
Lease liabilities	70,683,200.60	0.93%	57,720,087.24	0.76%	0.17%	
Non-current assets due within one year	629,841,781.93	8.25%	433,485,362.17	5.74%	2.51%	Mainly due to an increase in fixed-term wealth management products maturing within one year as of the end of the Reporting Period.
Debt investments	20,913,414.28	0.27%	569,885,924.01	7.55%	-7.28%	Mainly due to a decrease in fixed-term wealth management products with maturities of over one year as of the end of the Reporting Period.
Deferred tax assets	40,793,386.78	0.53%	12,604,433.20	0.17%	0.36%	Mainly due to an increase in deferred

						tax assets recognized by the parent company from deductible losses during the Reporting Period.
Other payables	57,528,339.01	0.75%	284,488,227.25	3.77%	-3.02%	Mainly due to payments made for land use rights during the Reporting Period.
Notes payable	73,961,196.53	0.97%	32,833,149.16	0.43%	0.54%	Mainly due to an increase in bank acceptance bills issued to suppliers for procurement as of the end of the Reporting Period.
Financial liabilities held for trading			144,722,831.86	1.92%	-1.92%	Mainly due to the repayment upon maturity of gold leasing arrangements without renewal during the Reporting Period.
Treasury shares	3,999,996.00	0.05%			0.05%	Mainly due to the recognition of repurchase obligations for newly granted restricted shares during the Reporting Period.
Other comprehensive income	4,108,128.93	0.05%	1,933,804.33	0.03%	0.02%	Mainly due to foreign currency translation differences during the Reporting Period.

### High proportion of overseas assets

Applicable Not applicable

### 2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening amount	Gains and losses on changes in fair value for the current period	Cumulative fair value change recognized in equity	Impairment accrued during the Reporting Period	Amount of purchase in current period	Amount of disposal in current period	Other changes	Closing amount
<b>Financial assets</b>								
1. Held-for-trading financial assets (excluding derivative financial assets)	4,579,301,487.22	167,179,244.33			4,596,901,571.55	4,717,444,791.27	11,404,567.25	4,614,532,944.58
5. Other non-current financial assets	403,675,066.37	21,016,564.47			233,640,750.00	334,357,406.32	14,759,816.77	309,215,157.75

Subtotal of financial assets	4,982,976,553.59	188,195,808.80			4,830,542,321.55	5,051,802,197.59	-26,164,384.02	4,923,748,102.33
Total	4,982,976,553.59	188,195,808.80			4,830,542,321.55	5,051,802,197.59	-26,164,384.02	4,923,748,102.33
Financial liabilities	144,722,831.86	41,117,511.19			109,740,530.97	213,345,851.64	0.00	0.00

### Contents of other changes

Other changes: Mainly due to exchange gains and losses arising from foreign currency-denominated wealth management products during the Reporting Period.

Whether there were material changes in the measurement attributes of the Company's major assets during the Reporting Period

Yes No

### 3. Restricted assets as of the end of the Reporting Period

As at December 31, 2025, the Group's restricted cash amounted to RMB 20,292.72 (December 31, 2024: RMB 2,976.81), primarily due to restrictions on fund transfers arising from deposits held as security deposits and changes in bank account types.

## VII. Investment Status Analysis

### 1. Overall situation

Applicable Not applicable

Investment in the Reporting Period (RMB)	Investment in the same period last year (RMB)	Change
7,233,674,750.99	6,722,665,339.71	7.60%

### 2. Significant equity investments acquired during the Reporting Period

Applicable Not applicable

### 3. Significant non-equity investments pending during the Reporting Period

Applicable Not applicable

Unit: RMB

Project name	Investment method	Whether it is fixed asset investment	Industry involved in the investment project	Investment amount for the Reporting Period	Cumulative actual investment as of the end of the Reporting Period	Source of funds	Project progress	Expected returns	Cumulative realized returns as of the end of the Reporting Period	Reasons for failure to meet planned progress and expected returns	Disclosure date (if applicable)	Disclosure reference (if applicable)
Headquarters base project	Self-built	Yes	Jewelry industry	46,581,024.88	46,581,024.88	Self-owned funds	11.12%			Not applicable	November 27, 2024	Announcement on the Progress of Signing a State-owned Construction Land Use Rights Grant Contract, Investment in

												Project Construction, and Acceptance of Related-party Guarantees disclosed on www.cninfo.com.cn (Announcement No. 2024-058)
Total	--	--	--	46,581,024.88	46,581,024.88	--	--			--	--	--

#### 4. Investment in financial assets

##### (1) Investment in securities

Applicable Not applicable

There were no securities investments during the Reporting Period.

##### (2) Investment in derivatives

Applicable Not applicable

1) Derivative investments for hedging purposes during the Reporting Period

Applicable Not applicable

Unit: RMB'000

Type of derivative investment	Initial investment amount	Opening amount	Fair value gains/losses for the period	Cumulative fair value changes recognized in equity	Purchases during the Reporting Period	Sales during the Reporting Period	Closing amount	Period-end investment amount as a percentage of the Company's period-end net assets
Gold forward contract	0	0	240.56	0	5,032.31	5,272.87 <sup>1</sup>	0	0.00%
Total	0	0	240.56	0	5,032.31	5,272.87	0	0.00%
Accounting policies and specific accounting principles for hedging activities during the Reporting Period, and whether there have been material changes compared with the previous Reporting Period	For the accounting policies and accounting principles of the Company's hedging activities, please refer to "32. Other Significant Accounting Policies and Accounting Estimates" under "V. Significant Accounting Policies and Accounting Estimates" in "Part VIII Financial Reports" of this report.							
Explanation of actual gains and losses during the Reporting Period	The actual gains from derivative investments during the Reporting Period amounted to RMB 2,405,600.							
Explanation of hedging effectiveness	The financial derivative contracts entered into by the Company for its hedging activities are linked to products related to the Company's production and operations, thereby reducing the risk of price fluctuations and achieving the expected risk management objectives.							

Source of funds for derivative investments	Own funds
Risk analysis and description of control measures for derivative positions held during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, and legal risk)	<p>(I) Risk analysis</p> <p>DRCO and its controlling subsidiaries conduct gold derivative transactions with the primary objective of hedging against risks arising from significant fluctuations in gold prices, and adhere to prudent and safe trading principles. However, certain risks remain in the course of business operations, including:</p> <ol style="list-style-type: none"> <li>Operational risk: Derivative transactions are highly specialized and complex. Inadequate internal control and risk management mechanisms or human operational errors may lead to risks.</li> <li>Technical risk: System failures caused by software or hardware issues may result in delays, interruptions, or data errors in trade execution, thereby giving rise to related risks.</li> <li>Market risk: Influenced by various factors such as domestic and international economic policies, economic conditions, and geopolitical events, gold derivative market conditions may fluctuate significantly, potentially resulting in price volatility risk and trading losses.</li> <li>Other risks: Relevant businesses may be affected by global political, war, economic, and legal changes, or by counterparty defaults, which may also give rise to risks.</li> </ol> <p>(II) Risk control measures</p> <ol style="list-style-type: none"> <li>DRCO strictly controls the trading scale of derivative transactions to ensure that transactions are conducted within the authorization limits approved by the Board of Directors and the general meeting of shareholders.</li> <li>The Company has formulated the <i>Measures for the Management of Financial Derivative Transactions</i>, which clearly define operating principles, approval authority, and risk control mechanisms to standardize business operations and mitigate related risks.</li> <li>DRCO adheres to a prudent principle in selecting qualified financial institutions for cooperation, in order to control counterparty credit risk and performance risk. A comprehensive risk management system and internal control mechanism for gold raw material trading have been established to ensure coverage of ex-ante prevention, in-process monitoring, and ex-post management. The Company continuously strengthens analysis and research on economic policies and conditions, as well as changes in the market environment, and adjusts investment strategies and scale in a timely manner.</li> <li>The Board of Directors has authorized the Audit Committee to review the necessity, feasibility, and risk control of derivative transactions. The internal audit department is responsible for supervising and verifying the implementation of derivative trading activities. Regular and ad hoc audits are conducted on actual operations, approval procedures, fund usage, and accounting information, with reports submitted to the Audit Committee.</li> </ol>
Changes in the market price or fair value of invested derivatives during the Reporting Period, and the analysis of derivative fair value, including the specific methods, assumptions, and parameters used	The fair value of the gold forward contracts held by the Company is determined based on the settlement price of the corresponding contracts on the Shanghai Gold Exchange.
Litigation status (if applicable)	Not applicable
Date of Board announcement disclosing approval of derivative investments (if any)	April 26, 2025

Note: 1. Physical delivery upon contract expiration.

## 2) Derivative investments for speculative purposes during the Reporting Period

Applicable Not applicable

The Company did not engage in derivative investments for speculative purposes during the reporting period.

**VIII. Disposal of Material Assets and Equity Interests****1. Disposal of material assets**

Applicable Not applicable

The Company did not dispose of any material assets during the Reporting Period.

**2. Disposal of material equity interests**

Applicable Not applicable

**IX. Analysis of Major Subsidiaries and Associates**

Applicable Not applicable

Information about major subsidiaries and associates that may influence DRCO's net profit by 10% or more

Unit: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shenzhen Love Only AI Cloud Technology Co., Ltd. <sup>1</sup>	Subsidiary	IT services	25,000,000.00	177,300,924.01	129,130,412.57	113,733,822.10	90,604,204.60	67,719,867.80
Shenzhen Darry Commercial Management Services Co., Ltd.	Subsidiary	Supply chain management, R&D and design, customized product services and related supporting services	10,000,000.00	124,305,261.99	48,798,743.31	119,693,891.88	77,929,974.70	66,232,441.50

Note: 1 Based on standalone financial statements.

## The acquisition and disposal of subsidiaries during the Reporting Period

Applicable Not applicable

Company name	Method of acquiring and disposing of subsidiaries during the Reporting Period	Impact on overall operation and performance
DR Design (Shenzhen) Co., Ltd.	Established through investment	No material impact
DARRY RING JEWELRY (MALAYSIA) SDN. BHD.	Established through investment	No material impact

Henan DR Jewelry Co., Ltd.	Deregistered	No material impact
Hangzhou DR True Love Jewelry Co., Ltd.	Deregistered	No material impact

#### Explanation of major subsidiaries and associates

1. The subsidiary Love Only AI is primarily engaged in information technology services. During the Reporting Period, it recorded a net profit of RMB 67.72 million, representing a decrease of 12.47% compared with the same period of the previous year.

2. The subsidiary Shenzhen Darry Commercial Management Services Co., Ltd. (Darry Qianhai) is primarily engaged in supply chain management, R&D and design, customized product services, and related supporting services. During the Reporting Period, it recorded a net profit of RMB 66.23 million, representing a decrease of 10.13% compared with the same period of the previous year.

#### X. Structured Entities under the Control of DRCO

Applicable Not applicable

#### XI. Outlook for the Company's Future Development

In 2025, DRCO made phased progress in brand communication, product innovation, and global expansion, laying a solid foundation for its strategic upgrade. In 2026, the Company will comprehensively advance its core objectives of "one consolidation and two breakthroughs." "One consolidation" refers to continuously strengthening the Company's leading global position in engagement rings, focusing on enhancing user experience and consolidating the strategic value and influence of the DR brand in the proposal scenario. "Two breakthroughs" refer to driving breakthroughs in two key product categories—wedding bands and high-end bridal gold collections—leveraging the brand advantages and user base accumulated in the proposal scenario to extend from the proposal scenario to the full lifecycle of love.

##### (I) Development Strategy

The DR brand is committed to the mission of "helping more people express love, making love last forever," striving to become the world's leading high-end wedding jewelry brand. Guided by the core spirit of "One Love, One Lifetime," the Company systematically advances four strategic directions: at the brand level, it is upgrading from a diamond ring specialist brand to a new luxury lifestyle brand grounded in the values of true love; at the scenario level, it is extending from the proposal scenario to a full coverage of the love lifecycle, including proposal, marriage, and post-marriage occasions such as anniversaries, birthdays, and festivals; at the product category level, it is expanding from a diamond-ring-focused single category to a diversified jewelry portfolio including diamond rings, wedding bands, and high-end bridal gold; and at the market level, it is establishing a global strategic layout with Greater China, Europe, and the United States as core markets, and Southeast Asia and other emerging markets as diversified growth engines.

##### (II) 2026 Operating Plan

In 2026, DRCO will focus on four strategic directions—brand upgrading, scenario expansion, product category expansion, and globalization—and systematically advance the following key initiatives:

##### 1. Brand building: from diamond ring expert to true love lifestyle brand

Based on the brand philosophy of "the sole true love in one life" and the core spirit of "One Love, One Lifetime," DRCO will upgrade its single purchasing rule into a value system of emotional commitment. Through content enhancement, store upgrading, product development, and reputation building, the Company aims to transform from a diamond ring specialist brand into a new luxury lifestyle brand grounded in the value of true love. Accordingly, the Company's strategic positioning will evolve from the

No. 1 diamond ring brand for proposals to a new luxury lifestyle brand grounded in the value of true love, with the ambition of becoming the world's No. 1 high-end wedding jewelry brand.

In 2026, DRCO will leverage AI technology to empower brand content creation and build a diversified communication system covering short-video platforms, e-commerce platforms, social media platforms, and communities. The brand philosophy will be embedded across the entire value chain, including product design, R&D, production, and services, forming a closed-loop brand value system from philosophy to product to retail experience. Meanwhile, focusing on user experience enhancement, enriched brand content, and strengthened brand image, the Company will optimize in-store ceremonial delivery services and spatial design to continuously enhance brand influence.

## **2. Product category and scenario expansion: strengthening core advantages and achieving strategic breakthroughs**

Centered on the "one consolidation," the Company will continue to consolidate its global leading position in engagement rings, with a focus on improving user experience. Product upgrades will be systematically advanced, while ceremonial delivery services will be further optimized. In 2025, DRCO served over 170,000 proposal users and facilitated more than 15,000 proposal ceremonies. Building on this foundation, the Company will continue to enhance the strategic value and influence of the proposal scenario in 2026.

While consolidating core advantage in engagement rings, centered on the "two breakthroughs," the Company will strategically expand into wedding bands and high-end bridal gold collections. In the wedding band category, leveraging core collections such as "YOU&ME," the Company will develop signature products with distinct brand identity through material innovation, craftsmanship breakthroughs, and design enhancements. In the high-end bridal gold category, led by the "Qianjin Tiara" and "One Lifetime, One Love" collections, the Company will integrate international design concepts with traditional Chinese craftsmanship to build a unique gold aesthetic system and continuously enrich its product portfolio.

## **3. Globalization: building a global market network**

The unique commitment to love expression of DR brand is inherently universal, representing the highest standard of emotional commitment, and thus possesses both scarcity and luxury attributes. DR's relentless pursuit of the ultimate expression of true love, supported by extensive brand communication and blockchain technology, has earned global recognition for this brand philosophy. In overseas markets, leveraging its distinct value proposition and unique brand narrative, the brand has precisely reached and deeply resonated with consumers who identify with this philosophy, sparking broad emotional resonance and public discourse.

In 2018, DR opened its flagship boutique in the prestigious Carrousel du Louvre Shopping Mall in Paris, marking its first step in global expansion. At the same time, the Company established a design center in France and collaborated with top global designers to continuously shape an international brand image. Following several years of cultivation and refinement by the overseas online team, DR has built a solid foundation for global offline expansion. In 2025, DR's U.S. standalone website recorded over 15 million visits, and its total followers across overseas social media platforms, including Instagram, exceeded 1 million. Brand-related topics such as "Will you Darry me" have repeatedly trended on social media platforms such as TikTok, and its distinctive philosophy has resonated strongly with young consumers worldwide.

Globalization is a core strategic direction for DR's future development. The brand value and assets accumulated in the Chinese market, together with the differentiated brand perception formed through overseas social media in recent years, jointly constitute a solid foundation for DR's globalization. Given that DR users place high importance on ceremonial experiences and offline engagement, physical experience stores become a critical medium for enhancing user experience and strengthening brand perception. 2026 will be a pivotal year for DR's global offline expansion, with planned store openings in the United States and Southeast Asia, followed by gradual expansion into Europe and other emerging markets, steadily building a global retail network.

#### **4. Retail operations: improving traffic conversion efficiency**

In 2026, DRCO will focus on improving traffic conversion efficiency in its retail operations, continuously enhancing the quality of retail operations and terminal profitability.

In channel development, the Company will adhere to a strategy of "stabilizing growth, enhancing brand momentum, optimizing store replacement, and controlling expense ratios," continuously optimizing its retail network layout, upgrading store locations to core business districts and high-end commercial complexes, and forming regional clusters in key cities. A scientific rental evaluation system and a standardized, replicable site selection model will be established to improve channel expansion efficiency and operational effectiveness.

In consumer conversion, DRCO will promote a full-chain upgrade of product experience. Through scenario-based displays, precision recommendations, and dynamic replenishment, the Company will shift from standardized product presentation to emotionally driven consumption scenarios, and integrate customized services into terminal operations, forming a closed-loop product management system from consumer insight to in-store presentation. In addition, standardized operating manuals will be implemented to enhance execution consistency and overall conversion efficiency.

In omni-channel operations, DRCO will leverage platforms such as Xiaohongshu and Douyin to drive online traffic to offline stores and promote word-of-mouth communication through high-quality services. Meanwhile, focusing on key service touchpoints such as customer reception, product customization, and ceremonial delivery, the Company will establish a training system centered on emotional interaction and service experience, empowering retail teams to continuously improve service quality and supporting the sustainable development of retail operations.

### **(III) Risks and Countermeasures**

#### **1. Risk of dilution of brand reputation and core value**

Brand influence is a key driver of the Company's sustained business growth. DRCO's core assets lie in its brand philosophy of "the sole true love in one life" and its unique purchasing rule that "You Can Only Buy for One Person," which together establish a strong competitive barrier. During the process of brand upgrading, product category expansion, and global expansion, any deviations in operational execution, lapses in rule enforcement, insufficient user reputation management, or failure of new products and scenarios to effectively convey the brand's core values may result in damage to brand reputation and a decline in user trust, materially affecting the Company's operations. In the context of social media, the rapid dissemination of negative information may further amplify such risks.

Mitigation measures: DRCO will adhere to its original brand mission and strictly implement global unified identity verification and purchasing rule. Relying on a self-developed blockchain-based information management system, the Company ensures the uniqueness and tamper-proof nature of purchase records. In 2025, this system passed the National Cybersecurity Multi-Level Protection Scheme Level 3 certification, providing technological assurance for brand credibility. In product category expansion and scenario extension, the Company remains committed to "true love" as its core value and has established a review mechanism for new product value propositions to ensure alignment with the brand philosophy. DRCO has also established a comprehensive public opinion monitoring and rapid response mechanism to dynamically track indicators such as brand-related keyword search volume and social media sentiment index, proactively safeguarding brand reputation. In addition, the Company continues to strengthen emotional connections with users through authentic user stories and "true love" public welfare initiatives.

#### **2. Risk of macroeconomic fluctuations and weaker-than-expected consumer demand**

Jewelry, as a discretionary consumer product, is cyclical to a certain extent. A slowdown in macroeconomic growth, lower-than-expected growth in disposable income, or declining consumer confidence may suppress the willingness and ability of the target customer group to spend, thereby adversely affecting the Company's revenue. The current global economic environment remains complex and volatile, and the foundation for domestic economic recovery remains to be consolidated, creating uncertainties in the pace of consumer market recovery.

Mitigation measures: DRCO will maintain its differentiated brand positioning and continue to deepen the brand's emotional value, strengthening consumers' identification with and loyalty to the brand philosophy, thereby enhancing brand resilience across economic cycles. At the same time, the Company will expand from the proposal scenario to multiple scenarios across the full lifecycle of love. By developing diversified product categories such as high-end bridal gold and anniversary gifts, DRCO will enrich its product portfolio and reduce reliance on a single category or scenario. Leveraging digital tools to precisely identify user needs, the Company will enhance the alignment of products and services with customer demand and improve operational stability.

### **3. Risk of raw material price fluctuations and supply chain management**

The Company's primary raw materials include diamonds and precious metals such as gold and platinum, the prices of which are subject to multiple factors, including global economic conditions, geopolitical developments, monetary policies, and market supply and demand, resulting in relatively high volatility. Significant increases in raw material prices may raise procurement costs and compress profit margins, while sharp declines may lead to inventory impairment risks and affect consumers' expectations regarding value preservation. DRCO adopts a demand-driven light customization model, with products made through outsourced manufacturing, resulting in a certain degree of reliance on the craftsmanship, delivery capabilities, and quality control systems of outsourced manufacturers. If outsourced manufacturers encounter insufficient capacity, delivery delays, quality fluctuations, or operational abnormalities, order fulfillment timelines and user experience may be adversely affected.

Mitigation measures: DRCO will closely monitor raw material market dynamics and establish sound price monitoring and early warning mechanisms. By optimizing inventory management, flexibly adjusting procurement rhythm, and building long-term and stable partnerships with high-quality suppliers, the Company seeks to mitigate the impact of price fluctuations on costs. Where appropriate, financial instruments such as hedging will be used to manage price risks. On the supply chain side, the Company will implement stringent supplier admission and dynamic evaluation mechanisms, conducting multi-dimensional assessments of outsourced manufacturers in terms of technical capabilities, capacity assurance, quality control systems, and commercial credibility. Through digital systems, the Company will enable visualized tracking of order progress and enhance coordination efficiency across supply chain stages. In addition, DRCO will continuously optimize the supplier structure and cultivate core strategic partners to mitigate concentration risks in procurement, thereby ensuring supply chain stability and resilience.

### **4. Risk of underperformance in offline store operations and channel optimization**

DRCO adheres to a fully self-operated offline channel model, under which stores serve not only as sales touchpoints but also as core venues for brand culture communication and user experience. Misjudgments in store location selection, an underdeveloped single-store operating model, store efficiency improvements falling short of expectations, or staff training failing to keep pace with upgraded service standards may adversely affect user experience and the Company's profitability. In addition, DRCO continues to advance channel optimization and store refurbishment, with the returns on related investments subject to uncertainty.

Mitigation measures: DRCO will continue to refine the store operating model and select channels based on key metrics such as store traffic and conversion rates, with quantified site selection criteria and a focus on leading commercial complexes in core cities. The Company will empower frontline staff through self-developed intelligent coaching systems and AI customer service systems to ensure standardized and consistent service quality across stores nationwide. Store operating data will be continuously monitored, and underperforming stores will be promptly optimized or adjusted to achieve efficient allocation of channel resources. During store refurbishment, the Company will adopt a phased roll-out approach, steadily replicating successful demonstration stores while controlling iteration risks.

### **5. Risks related to global operations and expansion into new markets**

DRCO plans to expand its business into key markets such as Europe, the United States, and Southeast Asia. Overseas markets differ significantly from the domestic market in terms of legal environments, consumer culture, business practices, and religious customs. If the Company fails to effectively adapt to local market

characteristics, establish localized operating teams, or address uncertainties such as geopolitical developments, trade policies, and exchange rate fluctuations, the implementation of its globalization strategy may be adversely affected. In addition, differences in cultural acceptance of the "true love" concept across markets may affect the effectiveness of brand communication.

Mitigation measures: The Company will prudently advance its overseas market expansion by conducting in-depth research on the legal and regulatory frameworks, consumer habits, and cultural characteristics of target markets, prioritizing locations in high-potential commercial districts, and gradually building localized operating teams. Leveraging its existing capabilities in new media operations and digital communication, DRCO will develop differentiated brand narratives tailored to overseas markets and continuously enhance the team's cross-border operational capabilities through practical experience in overseas markets. The Company will adopt a "focus on key breakthroughs to drive broader impact" strategy, steadily promoting overseas expansion after validating the operating model. In addition, the Company will establish a dedicated risk assessment mechanism for overseas business to dynamically monitor and respond to potential risks related to political, legal, and foreign exchange factors.

## XII. Registration Form for Surveys, Communication, Interviews, and Other Activities during the Reporting Period

Applicable Not applicable

Date	Venue	Method	Type of participants	Participants	Main topics discussed and materials provided	Reference for details of the investor relations activity
April 27, 2025	Online meeting	Online communication via internet platforms	Others	Representatives from 39 institutions, including Cinda Securities, Ping An Securities, Soochow Securities, etc., as well as some individual investors, totaling 60 participants	Discussion of the 2024 annual results and the Q1 2025 results	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on April 27, 2025 on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .
May 12, 2025	On-site research	On-site research	Institutions	Bosera Funds, GF Securities	Industry outlook, market landscape, and the Company's recent operating performance and outlook	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on May 30, 2025 on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .
May 14, 2025	Online meeting	Online communication via internet platforms	Institutions	China Life Pension, Tianfeng Securities		
May 19, 2025	On-site research	On-site research	Institutions	Founder Securities, Sealand Securities, UBS SDIC, Dejun Consulting		
May 21, 2025	On-site research	On-site research	Institutions	China Asset Management, Guosen Securities		
May 29, 2025	Online meeting	Online communication via internet platforms	Institutions	BOC Investment Management, Sealand Securities, Maxwealth Fund, Kaiyuan Securities, ZO Asset Management, Sealand Securities		
May 30, 2025	Online meeting	Online communication via	Institutions	Great Wall Fund, Industrial Securities,		

		internet platforms		Hwabao WP Fund, Sealand Securities				
May 30, 2025	On-site research	On-site research	Institutions	Southern Asset Management, Dacheng Fund, Industrial Securities				
June 5, 2025	Online meeting	Online communication via internet platforms	Institutions	ABC-CA Fund Management, Sealand Securities, Huashang Fund, Sealand Securities	Industry outlook, market landscape, and the Company's recent operating performance and outlook	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on June 30, 2025 on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .		
June 6, 2025	On-site research	On-site research	Institutions	Bosera Funds, Industrial Securities				
June 6, 2025	Online meeting	Online communication via internet platforms	Institutions	Caitong Fund Management, Sealand Securities, AEON LIFE, Sealand Securities				
June 9, 2025	Online meeting	Online communication via internet platforms	Institutions	Galaxy Asset Management, Sealand Securities				
June 10, 2025	Online meeting	Online communication via internet platforms	Institutions	Southern Asset Management, Sealand Securities, Wanjia Asset Management, Sealand Securities				
June 12, 2025	On-site research	On-site research	Institutions	Industrial Securities, Cinda Fund, Huisheng Fund Management, Caitong Fund Management, Hongta Hongtu				
June 23, 2025	On-site research	On-site research	Institutions	China Fortune Securities				
June 30, 2025	On-site research	On-site research	Institutions	Cinda Securities				
July 17, 2025	On-site research	On-site research	Institutions	GF Securities, Cinda Securities, CIB Wealth Management, Origin Asset Management, Founder Securities, Tianfeng Securities, Horizon Fund			Industry outlook, market landscape, and the Company's recent operating performance and outlook	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on July 28, 2025 on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> .
July 21, 2025	On-site research	On-site research	Institutions	Huachuang Securities				
July 23, 2025	On-site research	On-site research	Institutions	China Asset Management, Caitong Securities, Fullgoal Fund, Bosera Funds, AEON Insurance				
July 28, 2025	Online meeting	Online communication via internet platforms	Institutions	Tianfeng Securities, China Universal Asset Management				

August 29, 2025	Online meeting	Online communication via internet platforms	Others	Representatives from 52 institutions, including Eastmoney Securities, Guotai Haitong Securities, Industrial Securities, etc., as well as some individual investors, totaling 76 participants	Discussion of the 2025 interim results	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on August 29, 2025 on www.cninfo.com.cn.
October 30, 2025	Online meeting	Online communication via internet platforms	Others	Representatives from 46 institutions, including CITIC Securities, China Securities, Huatai Securities, etc., as well as some individual investors, totaling 68 participants	Discussion of the Q3 2025 results	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on October 30, 2025 on www.cninfo.com.cn.
November 20, 2025	Online meeting	Online communication via internet platforms	Others	Investors participating in the "2025 Shenzhen Listed Companies Investor Online Collective Reception Day" via the "Panoramic Roadshow" investor relations interactive platform ( <a href="https://rs.p5w.net">https://rs.p5w.net</a> )	Industry outlook, market landscape, and the Company's recent operating performance and outlook	For details, please refer to the Investor Relations Activity Record Form disclosed by the Company on November 20, 2025 on www.cninfo.com.cn.

### XIII. Formulation and Implementation of Market Value Management System and Valuation Increase Plan

Whether DRCO formulated the market value management system

Yes No

Whether DRCO disclosed the valuation increase plan

Yes No

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange – Standardized Operation of ChiNext Listed Companies*, the *Regulatory Guidelines for Listed Companies No. 10 – Market Value Management*, and other relevant laws, regulations, regulatory documents, and the *Articles of Association* of the Company, DRCO convened the 12<sup>th</sup> meeting of the second Board of Directors on December 26, 2024, at which the *Proposal on Formulating the Market Value Management System* was considered and approved. The Company has established the *Market Value Management System of DR Corporation Limited* to effectively enhance the Company's investment value, strengthen investor returns, regulate market value management practices, and safeguard the lawful rights and interests of the Company, investors, and other stakeholders.

### XIV. Implementation of the Action Plan for Dual Enhancement of Quality and Returns

Whether DRCO disclosed the Action Plan for Dual Enhancement of Quality and Returns

Yes No

## Part IV. Corporate Governance, Environmental Protection and Social Responsibility

### I. Basic Information about Corporate Governance

DRCO consistently regards standardized corporate governance as the cornerstone of steady development. By strictly abiding by relevant rules and regulations including the *Company Law*, the *Securities Law*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange – Standardized Operation of ChiNext Listed Companies* and the *Measures for the Administration of Independent Directors of Listed Companies*, as well as the provisions of DRCO's *Articles of Association*, the Company constantly improves its corporate governance structure, establishes and refines internal management and control systems, pushes ahead with corporate governance activities, promotes standardized operation, and enhances corporate governance capabilities, ensuring compliant, transparent and effective business operations and protecting the legitimate rights and interests of shareholders, creditors and other stakeholders. The actual situation of the Company's governance complied with the requirements of rules, regulations and normative documents released by the regulators, including CSRC and SZSE.

#### (I) Corporate governance system

DRCO has established a complete set of strict governance systems subject to timely amendments and refinement in accordance with changes of laws and regulations and the actual needs of the Company's development. During the Reporting Period, DRCO revised the *Articles of Association*, the *Administrative Measures for Outbound Investment*, the *External Guarantee Management System*, the *Administrative Measures for Connected Transactions*, the *Management System for Shares Held by Directors, Supervisors and Officers and Changes thereof*, the *System for the Selection and Appointment of Accounting Firms*, and the *Investors Relations Management System*, and formulated the *Administrative Measures for the Trading of Financial Derivatives*, the *Administrative Measures for the Resignation of Directors and Senior Management*, and the *Working System for the Secretary of the Board*, thereby further improving the corporate governance system.

#### (II) Shareholders and general meetings

DRCO respects the legitimate rights and interests of all shareholders and ensures they can fully exercise their rights. During the Reporting Period, DRCO held one annual general meeting and two extraordinary general meetings, both in strict adherence to the *Rules of Procedure for General Meetings* to standardize the convening, notification, holding and voting procedures, thereby fully safeguarding shareholders' rights to information, participation, and voting. During these meetings, the Company provided equal opportunities for shareholders to speak, ensuring they could fully express their opinions and suggestions. The voting results of all proposals at the general meetings were separately counted and disclosed for minority shareholders to enhance their participation. The Company engaged lawyers to provide on-site witnessing and issue legal opinions, ensuring the legality and validity of the meeting procedures and resolutions.

#### (III) Directors and the Board of Directors

DRCO's Board of Directors comprises 9 directors, including 3 independent directors. The number and composition of the Board of Directors satisfy the requirements of relevant laws, regulations and the *Articles of Association*. The Board of Directors has four special committees: Strategy and Sustainable Development Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. Each has clear responsibilities and performs its own duties to justify decision-making of the Board of Directors. During the Reporting Period, DRCO convened 5 Board meetings and 12 special committee meetings, all of which were convened and held in accordance with the procedures stipulated in the *Articles of Association*, the *Rules of Procedure of the Board of Directors* and other relevant laws and regulations, voted and formed resolutions in strict accordance with the relevant provisions, submitted matters requiring consideration at general meetings for consideration and decision at general meetings,

effectively performed the duties authorized by the general meetings, and strictly implemented the resolutions passed by general meetings. The directors of the Company have all diligently and faithfully performed their duties and actively participated in corporate governance. The independent directors have performed their duties independently in strict accordance with the relevant laws and regulations and the requirements of the *Working System for Independent Directors*, safeguarding the interests of the Company and all shareholders.

#### **(IV) Information Disclosure and Transparency**

DRCO attaches great importance to information disclosure and has established a comprehensive information disclosure management system to clarify the basic principles, content, approval procedures and responsibilities of information disclosure to ensure the timeliness, accuracy and completeness of information disclosure. DRCO publishes regular reports and interim announcements in a timely manner through the information disclosure media designated by the CSRC and the Company's official website in strict accordance with laws, regulations and regulatory requirements, so as to provide investors and the public with a comprehensive and truthful picture of the Company's business operations, financial condition and significant matters. During the Reporting Period, DRCO continuously improved the content and manner of information disclosure, enhanced the readability and comprehensibility of information, and maintained the continuity and consistency of information disclosure. By strengthening the management of information disclosure, the Company has enhanced transparency and strengthened investor confidence.

#### **(V) Management of Investor Relations**

DRCO strictly observes relevant laws and regulations such as the *Company Law*, the *Securities Law* and the *Guidelines on Investor Relations Management for Listed Companies*, as well as internal systems such as the *Articles of Association*, continuously improves the long-term mechanism for investor relations management, and strives to build a market communication pattern characterized by long-term stability, transparency and mutual trust. In October 2025, in accordance with the *Guidelines on Investor Relations Management for Listed Companies*, the Company revised the *Investor Relations Management System* in light of its actual conditions, further clarifying the core principles of compliance, equality, proactive communication, honesty and good faith for investor relations management. In terms of building communication channels and mechanisms, DRCO has established a sound investor relations management system consisting of diversified channels, including telephone, fax, e-mail, DRCO's official WeChat account, the "Investor Relations" section of DRCO's official website, as well as general meetings of shareholders, investor briefings, roadshows, analyst meetings, talks and exchanges, and on-site reception. In this way, DRCO can be contacted at any time, thereby enhancing the perception and recognition of the Company's value in the capital market by maintaining communication with investors and sell-side analysts.

In 2025, DRCO held three online performance briefings on regular reports for all shareholders to ensure fair information access of minority shareholders. The Company actively participated in the "2025 Reception Day for the Investors of Listed Companies in Shenzhen" and disclosed research information from investment institutions through the *Registration Form of Investor Relations Activities*. DRCO values feedback, suggestions and needs of investors, and promptly addresses their key concerns. By strengthening investor relations management, the Company can better understand the needs and expectations of investors, and further enhance its governance and market image.

#### **(VI) Stakeholders**

DRCO fully recognizes the importance of stakeholders in its development and actively communicates and co-operates with stakeholders. We pursue common development with our stakeholders, strive to achieve a harmonious balance among the interests of shareholders, employees and society, and constantly promote our sustainable, stable and healthy growth. In accordance with the *GRI Standards* issued by the GSSB, the United Nations 2030 Sustainable Development Goals, and relevant laws, regulations and normative documents such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, and the *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange - Preparation of Sustainability*

*Report*, DRCO has issued the *2025 Environmental, Social and Governance Report*, as detailed in the *2025 ESG Report* disclosed by DRCO on [www.cninfo.com.cn](http://www.cninfo.com.cn) on April 28, 2026.

Whether there is any significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the governance of listed companies issued by the CSRC.

Yes No

There is no significant difference between the actual situation of corporate governance and the laws, administrative regulations and the provisions on the governance of listed companies issued by the CSRC.

## **II. Independence of DRCO from Controlling Shareholders and Actual Controllers in Asset, Personnel, Finance, Institution and Business**

DRCO operates in accordance with the requirements of the *Company Law of PRC*, the *Securities Law* and other relevant laws and regulations, and the *Articles of Association*; and has established and improved the corporate governance structure. Therefore, DRCO is independent of the controlling shareholders, the actual controllers and other enterprises controlled by them in terms of assets, personnel, finance, institutions and business, and enjoys asset integrity and independence of business and the ability to operate independently in the market.

### **(I) Asset integrity**

DRCO has the business system and assets related to its operations, legally possesses the ownership of or right to use the trademarks, patents and non-patented technologies related to its operations, and has its own raw material procurement system and product sales system. DRCO has clear and complete ownership of its assets, and enjoys independent control and domination over all assets. DRCO has not provided guarantees for the debts of shareholders with its assets, interests or creditworthiness, and does not have assets or funds being illegally occupied by controlling shareholders to the detriment of DRCO's interests or have reliance on shareholders and other institutions.

### **(II) Personnel independence**

The directors, supervisors and senior managers of DRCO are elected in strict accordance with the relevant provisions of the *Company Law* and *Articles of Association*; the general manager, the deputy general manager, the person in charge of finance, the Board secretary and other senior managers of DRCO neither hold positions other than director and supervisor in DRCO's controlling shareholders, actual controllers and other enterprises controlled by them, nor receive remuneration from DRCO's controlling shareholders, actual controllers and other enterprises controlled by them; the financial personnel of DRCO do not work part-time in the organizations of controlling shareholders or the actual controllers and other enterprises controlled by them.

### **(III) Financial independence**

DRCO has set up an independent financial department with full-time accounting personnel, and established an independent financial accounting system and financial management policies to make financial decisions independently in strict accordance with accounting laws and regulations including the *Accounting Law of the People's Republic of China*. DRCO has a standardized financial accounting system and financial management policies for branches and subsidiaries; DRCO doesn't share bank accounts with controlling shareholders, actual controllers and other enterprises controlled by them.

### **(IV) Institutional independence**

DRCO has set up and defined the responsibilities and rights of the general meeting of shareholders, the Board of Directors and other bodies for decision-making, operation management and supervision. Therefore, DRCO has established a standardized and effective corporate governance structure. Based on the development needs, DRCO has established a series of internal operation and management institutions

that independently exercise the right of operation and management, and there is no institutional mixing with the controlling shareholders, the actual controller and other enterprises under their control.

### (V) Business independence

DRCO has an independent and complete research and development, design, procurement and sales business system, with the ability to directly conduct business operation by itself on the market. DRCO's business is independent of the controlling shareholders, the actual controllers and other enterprises under their control. Between DRCO and its controlling shareholders, the actual controllers and other enterprises under their control, there is neither horizontal competition that has a material adverse effect on the Company, nor any connected transaction that materially impacted the independence and was obviously unfair.

### III. Horizontal Competition

Applicable  Not applicable

### IV. Weighted Voting Right Arrangement

Applicable  Not applicable

### V. Corporate Governance of Red-chip Company

Applicable  Not applicable

### VI. Directors and Senior Management

#### 1. Basic information

Name	Gender	Age	Position	Employment status	Start date of tenure	End date of tenure	Number of shares held at the beginning of the period (shares)	Number of shares increased during the current period (shares)	Number of shares reduced during the current period (shares)	Other increases or decreases (shares)	Shares held at the end of the current period (shares)	Reasons for changes in shares
Zhang Guotao	Male	40	Chairman	Incumbent	July 11, 2019	January 13, 2029	0	0	0	0	0	
Lu Yiwen	Female	38	Director	Incumbent	July 11, 2019	January 13, 2029	0	0	0	0	0	
Lu Yiwen	Female	38	General Manager (President)	Incumbent	August 25, 2023	January 13, 2029	0	0	0	0	0	
Huang Shuirong	Male	51	Director, Deputy General Manager (Vice President), Secretary of the Board and Finance	Incumbent	July 11, 2019	January 13, 2029	0	0	0	0	0	

			Director									
Chen Qisheng	Male	40	Director	Incumbent	March 8, 2021	January 13, 2029	0	0	0	0	0	
Zhong Min	Male	53	Independent Director	Incumbent	November 24, 2020	January 13, 2029	0	0	0	0	0	
He Lei	Male	40	Director	Incumbent	January 13, 2026	January 13, 2029	0	132,275	0	0	132,275	Class I restricted shares were listed on September 19, 2025.
Shen Ai	Female	36	Employee Representative Director	Incumbent	January 13, 2026	January 13, 2029	0	0	0	0	0	
Wang Yajin	Female	40	Independent Director	Incumbent	January 13, 2026	January 13, 2029	0	0	0	0	0	
Zhao Dongping	Male	49	Independent Director	Incumbent	January 13, 2026	January 13, 2029	0	0	0	0	0	
Hu Xiaoming	Male	45	Director	Resigned	July 11, 2019	May 30, 2025	0	0	0	0	0	
Zhao Ranran	Female	36	Director	Resigned	May 26, 2023	January 13, 2026	0	0	0	0	0	
Li Yang	Male	43	Independent Director	Resigned	January 15, 2020	January 13, 2026	0	0	0	0	0	
Liang Jun	Male	48	Independent Director	Resigned	January 15, 2020	January 13, 2026	0	0	0	0	0	
Total	--	--	--	--	--	--	0	132,275	0	0	132,275	--

Note: both “number of shares held at the beginning of the period” and “number of shares held at the end of the period” refer to number of shares held directly, excluding number of shares held indirectly.

#### Whether any directors or senior officers resigned during the Reporting Period

Yes  No

On May 30, 2025, Mr. Hu Xiaoming submitted his resignation from his positions as Director and member of the Strategy and Sustainable Development Committee for personal reasons. Since his resignation, Mr. Hu Xiaoming has no longer held any position in the Company.

#### Changes in directors and senior management of the Company

Applicable  Not applicable

Name	Position	Type	Date	Reason
Hu Xiaoming	Director	Resignation	May 30, 2025	Personal reason
Zhao Ranran	Director	Resignation upon	January 13, 2026	Change of term

		expiration of term		
Li Yang	Independent Director	Resignation upon expiration of term	January 13, 2026	Change of term
Liang Jun	Independent Director	Resignation upon expiration of term	January 13, 2026	Change of term
He Lei	Director	Elected	January 13, 2026	Change of term
Shen Ai	Employee Representative Director	Elected	January 13, 2026	Change of term
Wang Yajin	Independent Director	Elected	January 13, 2026	Change of term
Zhao Dongping	Independent Director	Elected	January 13, 2026	Change of term

## 2. Positions

Professional background and career experience of DRCO's incumbent directors and senior management and their current major responsibilities at DRCO.

### (1) Profiles of the Board members

#### ① Mr. Zhang Guotao

Mr. Zhang Guotao, Chairman of the Board, is a Chinese citizen without permanent residence permit outside China. Born in 1985, he holds an EMBA degree from Cheung Kong Graduate School of Business and is the founder of DRCO. Mr. Zhang has received awards including the "Outstanding Young Entrepreneur Award (40 years and below)" and the "Top 10 Leaders of Asian Brands". He was the executive director and general manager of Darry Corporation and now acts as DRCO's chairman, as well as the executive director & general manager of DR Investment and Qianhai Wendi, the executive director & manager of Wendi Design and Wendi Technology, the executive director & general manager of EveryYear Travel Photography, the director & manager of Shenzhen Xiangliang Investment Co., Ltd., and the director & general manager of Wendi Investment (Hainan) Co., Ltd.

#### ② Ms. Lu Yiwen

Ms. Lu Yiwen is the director of DRCO. She is a Chinese citizen without permanent residence permit outside China. Born in 1987, she holds an EMBA degree from China Europe International Business School (CEIBS). As the founder of DRCO, she has received awards such as "Forbes 30 Under 30 China", "Hurun China Under 30s To Watch" and "Top 10 Leaders of Asian Brands". Ms. Lu was once the vice president and supervisor of Darry Corporation and now acts as DRCO's director and general manager (president), as well as the supervisor of DR Investment, EveryYear Travel Photography, Wendi Design, Wendi Technology, Shenzhen Xiangliang Investment Co., Ltd. and Wendi Investment (Hainan) Co., Ltd.

#### ③ Mr. Huang Shuirong

Mr. Huang Shuirong, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1974, Mr. Huang received his master's degree from Zhongnan University of Economics and Law, and he is a senior accountant. Mr. Huang once served as the financial manager of Guangdong-based Jianlibao Group, the chief financial officer of Xilong Chemical Co., Ltd., the general manager of the financial center at Xilong Chemical Co., Ltd., and the financial manager of Tiandi No. 1 Beverage Inc.; since joining DRCO in 2018, he has held such positions as the vice president and financial manager of Darry Corporation and now is the director, deputy general manager (vice president), secretary of the Board and financial director of DRCO.

#### ④ Mr. Chen Qisheng

Mr. Chen Qisheng, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1986, he received his bachelor's degree and holds the CMA certificate. He once worked in Chow Tai Fook Jewelry (Shenzhen) Co., Ltd., Kingdee Software (China) Co., Ltd. and Shenzhen Jianjiaqin Jewelry Co., Ltd. Since joining DRCO in 2015, he has ever held the position of a senior financial manager and now acts as the director and the responsible head for business and finance.

⑤ Mr. He Lei

Mr. He Lei, the director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1985, he holds a bachelor's degree. He previously served as a cadre in the Political Department of Hunan Provincial Military Command, a staff member of the CPC Bao'an District Committee of Shenzhen, the general manager of Wuhan Yegou Network Technology Co., Ltd., the deputy general manager, co-general manager and executive director of the Franchise Management Center at Bama Tea Co., Ltd. He now acts as the director and Chief Operating Officer (COO) of the Company.

⑥ Ms. Shen Ai

Ms. Shen Ai, the supervisor of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1989, she received her bachelor's degree from Shenzhen University. Since joining DRCO in 2012, she has successively held the positions including the copywriter, copywriter manager, copywriter expert and UGC operation manager. From July 2022 to July 2025, she acted as the supervisor of DRCO. She now acts as the employee representative director and UGC senior operation manager of DRCO.

⑦ Ms. Wang Yajin

Ms. Wang Yajin, the independent director of DRCO, is a US citizen with Chinese permanent residence permit. Born in 1985, she holds a doctoral degree. From September 2015 to November 2021, she served as an assistant professor of the Marketing Department at the Robert H. Smith School of Business, University of Maryland, US. She joined China Europe International Business School (CEIBS) in January 2021, and currently serves as the associate dean (research affairs), professor of marketing and director of ESG research at CEIBS, as well as the independent director of DRCO.

⑧ Mr. Zhao Dongping

Mr. Zhao Dongping, the independent director of DRCO, is a Hong Kong resident of China. Born in 1976, he holds a master's degree. From August 2004 to April 2008, he served as the product sales director and senior product sales manager of Dell (China) Co., Ltd. From April 2008 to January 2012, he was the general manager of online sales and operations at Google Information Technology (China) Co., Ltd. Greater China. From January 2012 to May 2016, he was the president of Hunan Haiyi E-Commerce Co., Ltd. From May 2016 to the present, he has served as the general manager and director of Anker Innovations Technology Co., Ltd. From May 2018 to the present, he has been the director of ZIEL HOME FURNISHING TECHNOLOGY CO., LTD.. He now acts as the independent director of DRCO.

⑨ Mr. Zhong Min

Mr. Zhong Min, the independent director of DRCO, is a Chinese citizen without permanent residence permit outside China. Born in 1973, he holds an EMBA degree from China Europe International Business School (CEIBS), and is a certified public accountant (CPA). Mr. Zhong ever served as a senior manager of Shenzhen Tongren Accounting Firm, a salaried partner of Shenzhen Pengcheng Enterprise Management Consulting Co., Ltd., the chief financial officer of Shenzhen Yuezhong Investment Holdings Co., Ltd., and the independent director of Guangzhou Fangbang Electronics Co., Ltd. He has been acting as the independent director of DRCO since 2020, as well as the director of Shenzhen Yuezhong Investment Holdings Co., Ltd. and Beijing Zhierxing Culture Media Co., Ltd., the chairman of Shenzhen Binhai Penghui Fund Management Co., Ltd., and the independent director of Shenzhen Xunfang Technology Co., Ltd. and Guangdong Feinan Resources Utilization Co., Ltd.

(2) Profiles of senior management

① Ms. Lu Yiwen

Ms. Lu Yiwen currently serves as the director and deputy general manager (vice president). For her biographies, please refer to the section "Profiles of Board Members".

② Mr. Huang Shuirong

Mr. Huang Shuirong currently serves as the director, deputy general manager (vice president), secretary of the Board and financial director. For his biographies, please refer to the section "Profiles of Board Members".

Whether the controlling shareholders and actual controllers also act as the chairman and general manager of the Company:

Applicable  Not applicable

During the Reporting Period, Mr. Zhang Guotao, the controlling shareholder and actual controller of DRCO, served as the chairman of DRCO; and Ms. Lu Yiwen, the controlling shareholder and actual controller of DRCO, served as the general manager of DRCO.

1. Explanation on the rationality of the position arrangements

The above arrangements are made based on the Company's current operational and development needs as well as its corporate governance conditions. Mr. Zhang Guotao, the Company's founder and chairman, and Ms. Lu Yiwen, the Company's founder and general manager, both have extensive experience and profound expertise in the industry and corporate management. Such arrangements help ensure efficient transmission of the Company's major decisions and operational execution, maintain the stability of its business strategies, and align with the characteristics of the industry and the Company's current business needs. The election and appointment of the above persons have been strictly implemented in accordance with the *Company Law of the People's Republic of China* and the Articles of Association of the Company, and have been reviewed and approved by the Board of Directors and the general meeting of shareholders of the Company, with the decision-making procedures compliant with laws and regulations.

2. Measures to Maintain the Independence of the Listed Company

During the Reporting Period, the Company maintained independence from its controlling shareholders, actual controllers and their connected parties in respect of business, personnel, assets, structure and finance, and possessed an independent and complete business system and the ability to operate independently in the market. Measures adopted to ensure the independence are set out below:

(1) Personnel independence: The Company has an independent human resources department responsible for independent personnel and payroll management. All senior management members (including the general manager) have signed employment contracts with the Company and receive remuneration from the Company. Apart from their positions at the Company, they do not hold administrative positions at or receive remuneration from the controlling shareholders, actual controllers or other enterprises controlled by them. The appointment and removal of directors and senior management members are conducted strictly in accordance with the procedures prescribed by laws, regulations and the Articles of Association of the Company, and there is no improper intervention by the controlling shareholders in personnel appointment and removal.

(2) Decision-making checks and balances and institutional independence: The Company has established a sound corporate governance structure with clearly defined responsibilities between the Board of Directors (decision-making level) and the management (execution level). In accordance with applicable laws, regulations and the Articles of Association of the Company, the Company has formulated the *Rules of Procedure for the General Meeting of Shareholders*, the *Rules of Procedure for the Board of Directors*, the *Working Rules for the General Manager* and other policies. During the Reporting Period, major operational decisions, external investments and other material matters of the Company were duly submitted to the Board of Directors or the general meeting of shareholders for review in strict accordance with the authorization system. The chairman and the general manager performed their duties in strict compliance with the Company's internal control system. Independent directors and special committees of the Board of Directors reviewed material matters and issued opinions in accordance with relevant

provisions, effectively performing their oversight responsibilities.

(3) Independence in business, assets and finance: The Company owns independent production and operation premises, intellectual property, and procurement and sales channels, and conducts business independently of the controlling shareholders and their connected parties. The Company has an independent finance department and financial accounting system, maintains independent bank accounts and pays taxes independently. The controlling shareholders and actual controllers have strictly abided by the provisions concerning the independence of listed companies and have not intervened in the Company's operation and management through improper means.

(4) Internal control and the standardization of connected transactions: The Company has established a comprehensive internal control system and a decision-making mechanism for connected transactions to ensure standardized corporate governance and independent operation, and effectively protect the legitimate rights and interests of all shareholders, especially minority shareholders.

#### Positions in shareholder entity

Applicable  Not applicable

Name of employee	Name of shareholder entity	Position held in shareholder entity	Start date of tenure	End Date of tenure	Whether receive remunerations in shareholder entity
Zhang Guotao	DR Investment	Executive Director, General Manager	November 24, 2015		No
Zhang Guotao	Wendi No. 1	Executive Partner (with a proxy appointed)	December 1, 2017		No
Zhang Guotao	Wendi No. 2	Executive Partner (with a proxy appointed)	December 1, 2017		No
Zhang Guotao	Wendi No. 3	Executive Partner (with a proxy appointed)	December 4, 2017		No
Lu Yiwen	DR Investment	Supervisor	November 24, 2015		No
Description of the position in the shareholder entity	Not applicable				

#### Employment in other entities

Applicable  Not applicable

Name of employee	Name of other entity	Positions held in other entity	Start date of tenure	End date of tenure	Whether receive remuneration in other entity
Zhang Guotao	Shenzhen Qianhai Wendi Management Consulting Co., Ltd.	Executive Director, General Manager	September 5, 2017		No
Zhang Guotao	Zhuhai Wendi Design Consulting Co., Ltd.	Executive Director, Manager	July 26, 2021		No
Zhang Guotao	Zhuhai Wendi	Executive Director,	July 27, 2021		No

	Technology Co., Ltd.	Manager			
Zhang Guotao	Shenzhen EveryYear Travel Photography Culture Co., Ltd.	Executive Director, General Manager	August 10, 2021		No
Zhang Guotao	Shenzhen Xiangliang Investment Co., Ltd.	Director, Manager	July 15, 2024		No
Zhang Guotao	Wendi Investment (Hainan) Co., Ltd.	Director, General Manager	September 26, 2024		No
Zhang Guotao	Zhuhai Wendi No. 1 Investment Partnership (LP)	Executive Partner (with a proxy appointed)	July 28, 2021		No
Lu Yiwen	Shenzhen EveryYear Travel Photography Culture Co., Ltd.	Supervisor	December 13, 2019		No
Lu Yiwen	Zhuhai Wendi Technology Co., Ltd.	Supervisor	July 27, 2021		No
Lu Yiwen	Zhuhai Wendi Design Consulting Co., Ltd.	Supervisor	July 26, 2021		No
Lu Yiwen	Shenzhen Xiangliang Investment Co., Ltd.	Supervisor	July 15, 2024		No
Lu Yiwen	Wendi Investment (Hainan) Co., Ltd.	Supervisor	September 26, 2024		No
Lu Yiwen	Hainan DR Investment Partnership (LP)	Executive Partner (with a proxy appointed)	June 24, 2024		No
Huang Shuirong	Nanjing Sanchao Advanced Materials Co., Ltd.	Independent Director	December 17, 2025		Yes
Zhong Min	Shenzhen Yuezhong Investment Holdings Co., Ltd.	Director	December 26, 2006		Yes
Zhong Min	Beijing Zhiexing Culture Media Co., Ltd.	Director	November 14, 2013		No
Zhong Min	Shenzhen Binhai Penghui Fund Management Co., Ltd.	Chairman	November 15, 2018		No
Zhong Min	Shenzhen Xunfang Technology Co., Ltd.	Independent Director	June 1, 2020		Yes
Zhong Min	Guangdong Feinan Resources Utilization Co., Ltd.	Independent Director	May 19, 2025		Yes
Zhao Dongping	Anker Innovations	Director, General	May 12, 2016		Yes

	Technology Co., Ltd.	Manager			
Zhao Dongping	Ziel Home Furnishing Technology Co., Ltd.	Director	May 16, 2018		No
Zhao Dongping	ASAS (Hong Kong) Limited	Director	August 1, 2016		No
Zhao Dongping	ASAS (Jiashan) E-Commerce Co., Ltd.	Director	May 1, 2017	April 3, 2025	No
Zhao Dongping	Hunan Anker Electronic Technology Co., Ltd.	Supervisor			No
Zhao Dongping	Anker Japan Co., Ltd.	Director			No
Zhao Dongping	Shenzhen Haiyi Zhixin Technology Co., Ltd.	Supervisor			No
Zhao Dongping	Hunan Anker Zhirui Manufacturing Co., Ltd.	Supervisor			No
Zhao Dongping	Shenzhen Bosaidong Network Technology Co., Ltd.	Director	September 6, 2017		No
Zhao Dongping	Scent LTD	Director	April 24, 2024		No
Zhao Dongping	AuthAroma Global Innovation	Director	May 14, 2024		No
Zhao Dongping	AuthAroma HK Innovation Limited	Director	May 8, 2024		No
Zhao Dongping	Springs & Palm Trees Holding Limited	Director	June 5, 2013		No
Zhao Dongping	Hunan Haiyi E-Commerce Co., Ltd.	Supervisor	February 28, 2019		No
Zhao Dongping	Grand Sand River Ltd.	Director	September 28, 2022	Dissolved in 2025	No
Wang Yajin	CEIBS	Associate Dean (Research Affairs), Professor of Marketing and Director of ESG Research	January 16, 2022		Yes
Description of position in other entity	No				

Whether DRCO's current and resigned directors and senior management were penalized by securities regulators in the past three years

Applicable Not applicable

### 3. Remunerations of directors and senior management

Decision-making process, basis for determination and actual payment of remunerations for directors and senior management

The remuneration of DRCO's directors and supervisors is determined in accordance with the following principles: (1) Non-independent directors do not receive remuneration or allowances for their directorship roles but are compensated based on the specific position they hold in DRCO, industry benchmarks for similar roles, and the Company's annual performance appraisal system and the achievement of performance targets; independent directors receive allowances for independent directors from the Company; (2) Senior management personnel are compensated based on the specific management positions they hold within the Company, industry benchmarks for similar roles, and the Company's annual performance appraisal system and the achievement of performance targets.

The remuneration plan for directors is reviewed and approved by the Board and the general meeting of shareholders; the remuneration plan for senior management is reviewed and approved by the Board. During the Reporting Period, the remuneration of the Company's directors and senior management has been paid in full.

Remuneration of directors and senior management during the Reporting Period

Unit: RMB'000

Name	Gender	Age	Position	Employment status	Total pre-tax compensation received from DRCO	Whether receive compensation from any connected party of DRCO
Zhang Guotao	Male	40	Chairman	Incumbent	203.81	No
Lu Yiwen	Female	38	Director, General Manager (President)	Incumbent	105.11	No
Huang Shuirong	Male	51	Director, Deputy General Manager (Vice President), Secretary of the Board and Financial Director	Incumbent	166.75	Yes
Chen Qisheng	Male	40	Director	Incumbent	81.11	No
Zhong Min	Male	53	Independent Director	Incumbent	15	Yes
Zhao Ranran	Female	36	Director	Resigned	76.54	No
Hu Xiaoming	Male	45	Director	Resigned	73.03	No
Li Yang	Male	43	Independent Director	Resigned	15	No
Liang Jun	Male	48	Independent Director	Resigned	15	No
Total	--	--	--	--	751.34	--

Assessment basis for the actual remuneration received by all directors and senior management at the end of the Reporting Period	Remuneration of the Company's non-independent directors and senior management is determined in accordance with the <i>Announcement on the Remuneration (Allowance) Scheme for Directors, Supervisors and Senior Management of DRCO</i> , disclosed by the Company on April 28, 2023 on www.cninfo.com.cn. Remuneration of the Company's independent directors is determined in accordance with the <i>Announcement on Adjusting the Remuneration Scheme for Independent Directors of DRCO</i> , disclosed by the Company on April 27, 2024 on www.cninfo.com.cn.
Completion of the assessment for the actual remuneration received by all directors and senior management at the end of the Reporting Period	On April 23, 2026, the Remuneration and Appraisal Committee of the Board of Directors convened a meeting to review the <i>Proposal on Confirming the 2025 Annual Remuneration and Formulating the 2026 Annual Remuneration Scheme for Directors</i> and the <i>Proposal on Confirming the 2025 Annual Remuneration and Formulating the 2026 Annual Remuneration Scheme for Senior Management</i> . Such proposals were also reviewed and approved by the Board of Directors at its meeting held on the same day.
Deferred payment arrangements for the actual remuneration received by all directors and senior management at the end of the Reporting Period	Not applicable.
Suspension and recovery of the actual remuneration received by all directors and senior management at the end of the Reporting Period	As of the end of the Reporting Period, no circumstances have arisen that require the initiation of remuneration suspension or recovery measures against directors or senior management.

## Other notes

Applicable Not applicable

## VII. Performance of Duties by DRCO Directors during Reporting Period

### 1. Attendance of directors at the Board meetings and the general meetings

Attendance of directors at the Board meetings and the general meetings							
Name of director(s)	Required attendance in Board meetings during the Reporting Period	Attendance in Board meetings in person	Attendance in Board meetings via communication equipment	Attendance by proxy	Number of absences from Board meetings	Absence from two consecutive meetings or not	Attendance at general meetings
Zhang Guotao	5	5	0	0	0	No	1
Lu Yiwen	5	4	1	0	0	No	1
Huang Shuirong	5	4	1	0	0	No	3
Hu Xiaoming	1	1	0	0	0	No	2
Chen Qisheng	5	3	2	0	0	No	2
Zhao Ranran	5	5	0	0	0	No	3
Li Yang	5	1	4	0	0	No	3
Liang Jun	5	1	4	0	0	No	3
Zhong Min	5	0	5	0	0	No	3

Description of absence from two consecutive Board meetings in person

Not applicable

## 2. Dissent of directors to corporate issues

Dissent of directors to relevant issues of DRCO

Yes No

During the Reporting Period, the directors did not raise any objection to the relevant matters of DRCO.

## 3. Other information on duty performance of directors

Whether the suggestions of the directors are adopted or not

Yes No

Descriptions on whether the suggestions of the directors are adopted or not

During the Reporting Period, the four special committees under the Company's Board of Directors, namely the Audit Committee, Remuneration and Appraisal Committee, Strategy and Sustainable Development Committee, and Nomination Committee, operated in strict accordance with their respective working rules. They conducted preliminary review and professional assessment major matters, providing important support for the scientific decision-making of the Board of Directors. Details are provided below:

**Remuneration and Appraisal Committee:** It headed the review of the *2025 Restricted Share Incentive Scheme* and the related assessment management measures, focusing on reviewing the scope of incentive recipients, grant pricing, and the setting of company-level performance indicators. It then formed review opinions and submitted them to the Board of Directors to ensure that the incentive scheme balances fairness and incentive effect.

**Audit Committee:** When reviewing matters such as the replacement of the audit firm for 2025, hedging business, and cash management, it verified the independence and professional quality of the proposed audit firm, with the focus on the effectiveness of the internal control system for hedging and the risk control measures for cash management. Relevant opinions were fully reflected in the review at the Board of Directors.

**Strategy and Sustainable Development Committee:** It reviewed the *2024 Environmental, Social and Governance Report*. Based on industry regulatory requirements and the Company's actual situation, it discussed the direction of ESG work and the completeness of disclosure, with the opinions issued providing valuable reference for the review at the Board of Directors.

**Nomination Committee:** For the re-election of the Board of Directors, it conducted item-by-item verification on the qualifications and performance abilities of the candidates for non-independent directors and independent directors, to ensure compliance with the nomination process. Relevant conclusions have been submitted to the Board of Directors.

In summary, by strictly performing the preliminary review procedures, each special committee has effectively played its role in professional assessment. All the review opinions formed by them were fully respected and adopted in the final decision-making by the Board of Directors. This effectively ensured the standardized operation of corporate governance and the legitimate rights and interests of all shareholders.

## VIII. Special Committees under the Board of Directors during Reporting Period

Name of committee	Members	Members	Date of convening	Contents of the meetings	Important opinions and suggestions	Other descriptions on duty performance	Details of dissent (if any)
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	March 28, 2025	Review the "Proposal on the 2024Q4 Work and 2025 Work Plan of DRCO's Audit Department"	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> , the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.	Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".	
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	April 23, 2025	1. Review the "Proposal on the 2024 Annual Report and Its Summary"; 2. Review the "Proposal on the 2025Q1 Quarterly Results"; 3. Review the "Proposal on the 2024 Financial Results"; 4. Review the "Proposal on the 2024 Internal Control Self-assessment Report"; 5. Review the "Proposal on 2024 Annual Report on Deposit and Use of Proceeds"; 6. Review the "Proposal on DRCO's Gold Lease Business"; 7. Review the "Proposal on Report on the Assessment of the Performance of the Accounting Firm and the Report on the	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> , the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.	1. Communicate with accounting firm to ensure that the financial statements present a true, fair and complete view of DRCO's overall financial position; 2. Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".	

				Audit Committee's Performance of Oversight Responsibilities for the Year 2024"; 8. Review the "Proposal on Renewing Engagement of Auditor in 2025"			
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	July 7, 2025	Review the "Proposal on Replacing the Audit Firm for 2025"	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> , the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.		
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	August 26, 2025	1. Review the "Proposal on the 2025 Interim Report and Its Summary"; 2. Review the "Proposal on the 2025 Interim Report on the Deposit and Use of Proceeds"; 3. Review the "Proposal on the 2025Q2 Work of DRCO's Audit Department"	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> , the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.	Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value and achieving objectives".	
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	October 27, 2025	1. Review the "Proposal on the 2025Q3 Quarterly Results"; 2. Review the "Proposal on Using Self-owned Funds to Pay Partial	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> ,	Guide the internal audit work and play the role of the Audit Department in "improving corporate governance, adding value	

				Expenses of the Projects Invested with Raised Funds and Subsequent Equivalent Reimbursement from Raised Funds"; 3. Review the "Proposal on Revising Partial Corporate Governance Policies"; 4. Review the "Proposal on the 2025Q3 Work of DRCO's Audit Department"	the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.	and achieving objectives".	
Audit Committee	Zhong Min, Liang Jun, Chen Qisheng	6	December 23, 2025	1. Review the "Proposal on Conducting Cash Management with Part of Idle Raised Funds and Self-owned Funds"; 2. Review the "Proposal on DRCO's Launch of Platinum Futures and Derivatives Hedging Business"; 3. Review the "Feasibility Analysis Report on DRCO's Launch of Platinum Futures and Derivatives Hedging Business"	The Audit Committee reviewed the matters under consideration in strict accordance with the <i>Articles of Association</i> , the <i>Rules of Work of the Audit Committee</i> and relevant laws and regulations, fully communicated with DRCO and the auditors and unanimously approved the resolution after discussion.		
Strategy and Sustainable Development Committee	Zhang Guotao, Li Yang, Hu Xiaoming	2	April 20, 2025	Review the "Proposal on the 2024 Environmental, Social and Corporate Governance Report"	The Strategy and Sustainable Development Committee, in strict accordance with the <i>Articles of Association</i> , the <i>Working Rules of the Strategy and Sustainable Development Committee</i> and relevant laws and regulations, unanimously approved the proposal after		

					in-depth discussion.		
Strategy and Sustainable Development Committee	Zhang Guotao, Li Yang, Hu Xiaoming	2	December 19, 2025	Review the "Proposal on Formulating the Biodiversity Protection Commitment"	The Strategy and Sustainable Development Committee, in strict accordance with the <i>Articles of Association</i> , the <i>Working Rules of the Strategy and Sustainable Development Committee</i> and relevant laws and regulations, unanimously approved the proposal after in-depth discussion.		
Remuneration and Appraisal Committee	Liang Jun, Zhong Min, Zhao Ranran	3	July 7, 2025	1. Review the "Proposal on DRCO's 2025 Restricted Share Incentive Scheme (Draft) and Its Summary"; 2. Review the "Proposal on the Implementation and Assessment Measures for DRCO's 2025 Restricted Share Incentive Scheme"; 3. Review the "Proposal on Verifying the List of Incentive Recipients of the Initial Grant under DRCO's 2025 Restricted Share Incentive Scheme"; 4. Review the "Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to DRCO's 2025 Restricted	The Remuneration and Appraisal Committee acted in strict accordance with the <i>Articles of Association</i> , the <i>Working Rules of the Remuneration and Appraisal Committee of the Board of Directors</i> , and relevant laws and regulations. Zhao Ranran, as an incentive recipient under this incentive scheme and a related member, abstained from voting on the relevant proposals. The other members unanimously approved the proposals after in-depth discussion.		

				Share Incentive Scheme"			
Remuneration and Appraisal Committee	Liang Jun, Zhong Min, Zhao Ranran	3	August 26, 2025	1. Review the "Proposal on Adjusting Matters Related to the 2025 Restricted Share Incentive Scheme"; 2. Review the "Proposal on the Initial Grant of Restricted Share to Incentive Recipients under the 2025 Restricted Share Incentive Scheme"; 3. Review the "Proposal on Verifying the List of Incentive Recipients of the Initial Grant under DRCO's 2025 Restricted Share Incentive Scheme"	The Remuneration and Appraisal Committee acted in strict accordance with the <i>Articles of Association</i> , the <i>Working Rules of the Remuneration and Appraisal Committee of the Board of Directors</i> , and relevant laws and regulations. Zhao Ranran, as an incentive recipient under this incentive scheme and a related member, abstained from voting on the relevant proposals. The other members unanimously approved the proposals after in-depth discussion.		
Remuneration and Appraisal Committee	Liang Jun, Zhong Min, Zhao Ranran	3	December 23, 2025	Review the "Proposal on Formulating the Remuneration Management System for Directors and Senior Management"	All members abstained from voting on this proposal, which was directly submitted to the Board of Directors for review.		
Nomination Committee	Li Yang, Lu Yiwen, Zhong Min	1	December 23, 2025	1. Review the "Proposal on the Re-election of DRCO's Board of Directors and the Nomination of Non-Independent Director Candidates for the Third Board of Directors"; 2. Review the "Proposal on the Re-election of DRCO's Board of Directors and the Nomination of Independent Director Candidates for	The Nomination Committee, in strict accordance with the <i>Articles of Association</i> , the <i>Working Rules of the Nomination Committee</i> and relevant laws and regulations, unanimously approved the proposal after in-depth discussion.		

				the Third Board of Directors"; 3. Review the "Proposal on Formulating the Resignation Management System for Directors and Senior Management"; 4. Review the "Proposal on Formulating the Board Diversity Policy"			
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### IX. Work of the Audit Committee

Whether the Audit Committee identified any risk to DRCO through supervisory activities during the Reporting Period

Yes No

The Audit Committee had no objection to the matters under its supervision during the Reporting Period.

### X. Employees of DRCO

#### 1. Employee number, professional composition, and educational background

Number of current employees of the parent Company as of the end of the Reporting Period (persons)	1,457
Number of current employees of major subsidiaries as of the end of the Reporting Period (persons)	537
Total number of current employees as of the end of the Reporting Period (persons)	1,994
Total number of employees on payroll in the current period (persons)	1,994
Number of retired employees for whom the parent company and its major subsidiaries are responsible for the retirement benefits (persons)	0
Professional composition	
Category	Number of employees
Sales personnel	1,721
Technical personnel	84
Financial personnel	44
Administrative personnel	145
Total	1,994
Education background	
Category	Number of employees
Master's degree and above	50

Bachelor's degree	503
Junior college and below	1,441
Total	1,994

## 2. Remuneration policy

DRCO continues to improve the salary system, having established a compensation structure and bands matching the ranks, positions and lines of business based on the internal and external remuneration contexts. Sticking to the strategy of setting positions and salaries based on skills, DRCO offers competitive compensation to top talents.

During the Reporting Period, DRCO further improved the performance-driven incentive mechanism that integrates long-term and short-term rewards. Besides the existing monthly, quarterly and annual bonuses, the Company also introduced special incentives. Through diversified approaches including incremental incentives, honorary recognition, and timely performance feedback, DRCO effectively motivated employees. Meanwhile, the Company adhered to the principle of complying with laws and regulations, and balanced efficiency with fairness. By implementing a scientific performance management system, the Company embedded key work objectives into assessment, ensuring standardized and orderly compensation management and fostering a positive working atmosphere to support employees in realizing their personal value in a meaningful cause.

## 3. Training program

During the Reporting Period, DRCO continued to improve the tiered and classified training system in line with the strategic planning and staff development requirements. DRCO customized training programs for new hires, core personnel as well as senior management, so as to ensure training content is highly aligned with the operating objectives. On this basis, the Company has established a tiered talent training system covering the headquarters, retail terminals and regional markets. At the headquarters level, efforts were focused on enhancing strategic leadership and business management capabilities. For the senior management and core personnel, targeted training programs were delivered centering on key areas such as the implementation of brand strategies and the upgrade of operation and management, so as to strengthen market insight and business management capabilities. At the level of retail terminals, an empowerment system spanning the entire career cycle has been built. First, systematic onboarding guidance was provided to help new hires quickly develop job competence. Second, training was carried out in partnership with professional institutions including the International Gemological Institute (IGI) to enhance the professional service capabilities of retail terminals. Third, special training camps were organized to promote the standardization and benchmarking in store operations and improve the operational efficiency of individual stores. At the level of regional markets, city-specific training programs were implemented in light of local conditions. Tailored training initiatives were launched in line with the characteristics of different regional markets to meet the needs in markets at all levels and boost the operational efficiency in regional markets.

Through the systematic implementation of the above training programs, the Company has continuously improved the overall competence and professional skills of its employees. While meeting the needs of employee development, it has also provided solid talent support for the high-quality development of the organization.

## 4. Labor outsourcing

Applicable Not applicable

Total working hours for labor outsourcing(hours)	42,607
Total remuneration paid for labor outsourcing (RMB)	2,237,832.68

## XI. Profit Distribution Plan and Plan to Convert Reserves into Share Capital

Formulation, implementation or adjustment of profit distribution policy, particularly cash dividend policy, during the Reporting Period

Applicable Not applicable

DRCO implements the profit distribution policy in strict accordance with the relevant provisions of the *Articles of Association* of DRCO. The profit distribution plan during the Reporting Period complied with the provisions of the *Articles of Association* and the review procedures, fully protecting the legitimate rights and interests of all shareholders of DRCO. On May 28, 2024, DRCO held the 2024 annual general meeting of shareholders to review and approve the *Proposal on the Profit Distribution Plan for 2024*. Based on the total share capital of 400,010,000 shares as of December 31, 2024, DRCO distributed RMB 5.00 in cash (tax inclusive) for every 10 shares to all shareholders, amounting to a total cash dividend of RMB 200,005,000.00 (tax inclusive). No bonus shares were offered and no capital reserve was converted into share capital. This profit distribution plan was completed on June 27, 2025.

Special notes on cash dividend policy	
Whether complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting of shareholders:	Yes
Whether the criteria and proportion of dividend distribution are clear and unambiguous:	Yes
Whether relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due roles:	Yes
If DRCO does not distribute cash dividends, disclose specific reasons and propose measures to increase investor returns:	Not applicable
Whether minority shareholders have the opportunity to fully express their opinions and requirements, and whether their legitimate rights and interests are fully protected:	Yes
If the cash dividend policy is adjusted or changed, whether the conditions and procedures are compliant and transparent:	Not applicable

DRCO's profit distribution plan and plan to convert reserves into share capital during the Reporting Period are in compliance with DRCO's Articles of Association and administrative measures for dividends

Yes No Not applicable

DRCO's profit distribution plan and plan to convert reserves into share capital during the Reporting Period are in compliance with DRCO's Articles of Association.

Profit distribution and capitalization of capital reserve for the year

Number of bonus shares to be distributed for every ten shares (share)	0
Amount to be distributed for every ten shares (RMB) (tax inclusive)	5
Number of shares to be converted into share capital for every ten shares (share)	0

Share capital base in distribution proposal (shares)	400,274,550
Cash dividend amount (RMB) (tax inclusive)	200,137,275.00
Amount of cash dividend in other forms (e.g. share repurchase) (RMB)	0.00
Total cash dividends (including those in other forms) (RMB)	200,137,275.00
Distributive profit (RMB)	1,031,326,658.07
Proportion of total cash dividends (including those in other forms) in total profit distribution	100.00%
Proposed cash dividend distribution	
If the Company's development stage is hard to distinguish but the Company has significant capital expenditure arrangements, the minimum cash dividend should be at least 20% of the profit distribution.	
Details of the profit distribution plan or the plan to convert reserves into share capital	
<p>Audited by Deloitte Touche Tohmatsu CPA Ltd. (Special General Partnership), the net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2025 amounted to RMB 139,104,912.36, of which the net profit attributable to the parent company was RMB 111,621,480.79. According to the relevant provisions of the Company Law and DRCO's Articles of Association, when distributing the current year's after-tax profit, DRCO should set aside 10% of the profit into the statutory surplus reserve, and no further statutory surplus reserve will be withdrawn when the cumulative amount of the Company's statutory surplus reserve reaches 50% or more of its registered capital. The cumulative opening balance of the Company's statutory surplus reserve was RMB 200,005,000.00, and RMB 0 was appropriated to the statutory surplus reserve for the year. There was no loss to be compensated. As of December 31, 2025, the cumulative undistributed profits in the consolidated financial statements of the Company amounted to RMB 1,200,332,246.60, and the cumulative undistributed profits of the parent company amounted to RMB 1,031,326,658.07. According to the principle of the lower of the distributable profits in the consolidated financial statements and the parent company's financial statements, as of December 31, 2025, the profit available for distribution to shareholders is RMB 1,031,326,658.07. Taking full account of the cash flow situation and ensuring DRCO's normal operation and long-term development, adhering to the principle of continuous return to shareholders and sharing operating results with all shareholders, the proposed profit distribution plan for the year 2025 is as follows: based on the total share capital of 400,274,550 shares as of December 31, 2025, a cash dividend of RMB 5 (tax inclusive) per 10 shares is proposed to be distributed to all shareholders, amounting to a total cash dividend of RMB 200,137,275.00 (tax inclusive). No bonus shares will be issued, and no capital reserve will be capitalized into share capital.</p> <p>During the period from the date of disclosure of the relevant announcement on profit distribution to the registration date of implementation of equity distribution, if the total share capital of the Company changes due to convertible debt to equity, share repurchase, equity incentive exercise, listing of new shares in refinancing, etc., the Company will maintain the distribution ratio per share unchanged and adjust the total distribution accordingly.</p>	

DRCO recorded profits and the parent company recorded positive profits available for distribution to shareholders during the Reporting Period but there is no proposal for cash dividend.

Applicable Not applicable

## XII. Implementation of Share Incentive Scheme, Employee Stock Ownership Scheme or Other Incentive Measures for Employees

Applicable Not applicable

### 1. Share Incentive Scheme

During the Reporting Period, DRCO implemented its 2025 share incentive scheme, under which the incentive instruments adopted were Class I restricted shares and Class II restricted shares. On July 10, 2025, the Company held the 14<sup>th</sup> meeting of the 2<sup>nd</sup> Board of Directors, and on July 30, 2025, it held the 2<sup>nd</sup> Extraordinary General Meeting of 2025, at which the *Proposal on DRCO's 2025 Restricted Share Incentive Scheme (Draft) and Its Summary* and other related proposals were reviewed and approved. Under this incentive scheme, the total number of shares (Class I restricted shares and Class II restricted shares) to be granted to the incentive recipients shall not exceed 901,900 shares, accounting for 0.2255% of the

Company's total share capital of 400,010,000 shares prior to the announcement of the draft incentive scheme. The number of recipients in the initial grant shall not exceed 27 persons, at an issue price of RMB 15.12 per share.

On August 26 and 27, 2025, the Company respectively held the 4<sup>th</sup> meeting of the Remuneration and Appraisal Committee of the 2<sup>nd</sup> Board of Directors and the 15<sup>th</sup> meeting of the 2<sup>nd</sup> Board of Directors, at which the *Proposal on Adjusting Matters Related to the 2025 Restricted Share Incentive Scheme* and the *Proposal on the Initial Grant of Restricted Shares to the Incentive Recipients under the 2025 Restricted Share Incentive Scheme* were reviewed and approved. The Remuneration and Appraisal Committee of the Board verified the list of recipients eligible for the initial grant of restricted shares under the incentive scheme and issued opinions on whether the conditions for the recipients to obtain the granted shares had been satisfied. A law firm also issued a corresponding legal opinion.

Pursuant to the authorization granted by the 2<sup>nd</sup> Extraordinary General Meeting of 2025, the Board adjusted the list of incentive recipients in the initial grant and the number of shares to be granted under the incentive scheme, and cancelled the grant of 6,783 Class II restricted shares to one proposed recipient. Following such adjustment, the number of incentive recipients in the initial grant under the incentive scheme was reduced to 26 persons, and the total number of shares to be granted under the plan was reduced to 894,900 shares, including 716,000 shares for the initial grant and 178,900 shares reserved for future grants. Of the initial grant, 264,600 shares were Class I restricted shares and 451,400 shares were Class II restricted shares. Of the reserved portion, 151,800 shares were Class I restricted shares, and the reserved portion of Class II restricted shares was unchanged. Meanwhile, August 28, 2025 was defined as the initial grant date, on which a total of 716,000 restricted shares were granted to 26 eligible recipients, comprising 264,600 Class I restricted shares granted to 2 recipients and 451,400 Class II restricted shares granted to 25 recipients, both at an issue price of RMB 15.12 per share. The listing date of Class I restricted shares was September 19, 2025.

#### Incentive shares received by directors and senior management

Applicable Not applicable

Unit: Share

Name	Position	Number of stock options held at the beginning of the year	Number of stock options newly granted during the Reporting Period	Number of exercisable shares during the Reporting Period	Number of shares exercised during the Reporting Period	Exercise price of shares exercised during the Reporting Period (RMB per share)	Number of stock options held at the end of the period	Market price at the end of the Reporting Period (RMB per share)	Number of restricted shares held at the beginning of the period	Number of unlocked shares during the period	Number of restricted shares newly granted during the Reporting Period	Grant price of restricted shares (RMB per share)	Number of restricted shares held at the end of the period
Huang Shuiron g	Director, Deputy General Manager (Vice President), Secretary of the Board and Financial Director	0	0	0	0	0	0	28.87	0	0	86,905	15.12	86,905
Chen Qishen	Director, head	0	0	0	0	0	0	28.87	0	0	20,302	15.12	20,302

g	of busines s and finance												
He Lei	Directo r, COO	0	0	0	0	0	0	28.87	0	0	132,27 5	15.12	132,27 5
Zhao Ranran	Former director , head of brand commu nication	0	0	0	0	0	0	28.87	0	0	8,993	15.12	8,993
Total	--	0	0	0	0	--	0	--	0	0	248,47 5	--	248,47 5
Notes (if any)	During the Reporting Period, among the restricted shares granted to the aforementioned directors and senior management, all were Class II restricted shares and remained unvested, with the exception of those granted to Mr. He Lei. The Class I restricted shares granted to Mr. He Lei have not yet been released from transfer restrictions.												

### Assessment mechanism and incentives for senior management

During the Reporting Period, DRCO's senior management performed their duties in strict accordance with the *Company Law*, the *Articles of Association* of the Company and relevant laws and regulations, and actively implemented all resolutions adopted by the general meeting of shareholders and the Board of Directors of the Company. The senior management of the Company received remuneration based on respective positions at the Company. The Company implemented the 2025 restricted share incentive scheme, with the recipients including senior management of the Company. The Remuneration and Appraisal Committee of the Board of Directors was responsible for organizing and implementing the restricted share incentive scheme. An assessment team set up by the Human Resources Department of the Company was responsible for conducting assessments and reporting to the Remuneration and Appraisal Committee. Relevant departments, including the Human Resources Department and the Finance Department, were responsible for collecting and providing relevant data for the assessment, and were accountable for the authenticity and reliability of such data. The Board of Directors of the Company was responsible for reviewing the assessment results.

### 2. Implementation of the Employee Stock Ownership Scheme

Applicable Not applicable

### 3. Other Incentive Measures for Employees

Applicable Not applicable

## XIII. Construction and Implementation of Internal Control System during Reporting Period

### 1. Construction and implementation of internal control system

During the Reporting Period, in accordance with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines, the *Guidelines on Enterprise Internal Control Assessment*, and other regulatory requirements, in combination with DRCO's own operation and management conditions, DRCO further improved its internal control system and ensured its compliant and robust operation.

#### (1) Establishment of internal control system

Centering on the five core elements of internal control, including internal environment, risk assessment, control activities, information and communication, and internal monitoring, DRCO comprehensively sorted key business modules including organizational structure, development strategy, human resources, social responsibility, corporate culture, fund activities, procurement, asset management, sales management, project construction, financial reporting, comprehensive budgeting, contract and seal management, information systems, supply chain management, and major investments. In 2025, in light of management

practices and changes in the external environment, the Company revised or formulated a number of internal control systems. It revised and improved the *Management System for Expense Reimbursement*, *Management System for Final Accounts of Completed Projects*, *Interpretation of DR Brand Rules and Identity Verification Specifications*, and *Corporate Information Security Management System*. It also formulated the *Measures for the Management of Financial Derivatives Transactions* and *Assessment Mechanism for Suppliers in Comprehensive Procurement*, among others. As a result, a scientific, standardized and effective internal control system covering the Company and all its branches and subsidiaries has been established.

## (2) Organizational support for internal control

DRCO has established an internal control governance structure with clearly defined powers and responsibilities and effective checks and balances. The Board of Directors is responsible for the establishment, improvement and effective implementation of the Company's internal control. The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, and for supervising and evaluating internal and external audit work as well as internal control. The Audit Department, as the daily implementation and supervision body of internal control, organizes and carries out internal control evaluation under the independent guidance of the Audit Committee, conducting comprehensive and objective inspection and supervision over the effectiveness of the design and operation of internal control.

## (3) Operation and supervision of internal control

During the Reporting Period, focusing on high-risk areas in business operations (including fund activities, supply chain management, procurement management and project management), DRCO has established a control mechanism covering the whole process from pre-event prevention, in-process control and post-event supervision. In terms of pre-event prevention, the Company enhanced the risk prevention awareness of all employees through compliance training, integrity education systems and supplier integrity agreements. It carried out anti-fraud publicity, set up reporting channels and protected whistleblowers. In terms of in-process control, relying on OA, SAP, business middle-office and other information systems, the Company realized process and authority-based control over key links such as sales, procurement, funds and finance. In terms of post-event supervision, the Audit Department independently conducted daily supervision and special audits, and promptly organized rectification of deficiencies identified in internal control, forming a closed loop of risk assessment, internal control establishment, internal control evaluation and deficiency rectification.

## (4) Conclusion of internal control assessment

In accordance with the *Guidelines on Enterprise Internal Control Assessment* and relevant requirements, DRCO conducted internal control assessment with December 31, 2025 as the benchmark date. The scope of assessment covered the Company and its subsidiaries, with a focus on high-risk areas including fund activities, supply chain management, procurement management and project management. As the assessment results indicated, DRCO had no key or material deficiencies in the internal control of financial reporting in the Reporting Period, nor had any key or material deficiencies in the internal control of non-financial reporting.

## (5) Internal control audit

Deloitte Touche Tohmatsu CPA Ltd. (Special General Partnership) conducted an independent audit on the effectiveness of DRCO's internal control over financial reporting as of December 31, 2025, and issued the *Internal Control Audit Report* (De Shi Bao (Han) Zi (26) No. Q00581), which stated that, as of December 31, 2025, DRCO maintained effective internal control over financial reporting in all material respects in accordance with the *Basic Standard for Enterprise Internal Control* and relevant provisions.

## 2. Details of major deficiencies in internal control identified during the Reporting Period

Yes  No

**XIV. Management and Control of Subsidiaries during Reporting Period**

Company name	Integration plan	Progress of integration	Problems	Countermeasures	Working progress	Follow-up resolution
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Whether there are abnormalities in the management and control of subsidiaries

Yes  No

**XV. Internal Control Self-Assessment Report and Internal Control Audit Report**

Disclosure date of the full text of the Internal Control Self-assessment Report	April 28, 2026	
Disclosure index of the full text of the Internal Control Self-assessment Report	Please refer to the <i>2025 Internal Control Self-Evaluation Report</i> disclosed in <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>	
Total assets of entities included in the scope of assessment as a percentage of total assets in DRCO's consolidated financial statements	100.00%	
Revenue of entities included in the scope of assessment as a percentage of revenue in DRCO's consolidated financial statements	100.00%	
Criteria for identifying deficiencies		
Category	Financial report	Non-financial report
Qualitative criteria	(1) Material deficiencies: correction of material errors in published financial reports; failure of the audit committee and the audit department to oversee the internal control; findings of fraud involving directors, supervisors and senior management of DRCO; material misstatements in current financial reports identified by the CPA but not by DRCO's internal control department. (2) Significant deficiencies: failure to select and apply accounting policies in accordance with GAAP; failure to establish anti-fraud procedures and control measures; and one or more deficiencies of the financial reporting, for which the truthfulness and accuracy of the financial statements cannot be reasonably assured. (3) General deficiencies: Other control deficiencies related to financial reporting that do not constitute material deficiencies or significant deficiencies.	(1) Material deficiencies: Violation of the State's laws, regulations or regulatory documents; lack of decision-making procedures or unscientific decision-making process that results in material errors; lack of systems or systemic failures of the system for important businesses; failure to rectify material weakness identified by the internal control assessment. (2) Significant deficiencies resulting from deviations of DRCO's decision-making process from the objectives; deficiencies in significant business policies or systems; failure to correct significant deficiencies identified in the internal control assessment. (3) General deficiencies: Inefficiency of DRCO's decision-making process; deficiencies in general business policies or systems; failure to correct general deficiencies identified in the internal control assessment.
Quantitative criteria	1. Losses resulting or likely to result from deficiencies in internal control are measured against consolidated revenue if they have impacts on the income statement. (1) Material deficiencies: Misstatement $\geq 2\%$ of consolidated revenue. (2) Significant deficiencies: $1\% \leq \text{misstatement} < 2\%$ of consolidated revenue. (3) General deficiencies: Misstatement $< 1\%$ of the total consolidated assets. 2. Losses resulting or	Direct property losses resulting from direct or potential negative impacts of the deficiencies in internal control are measured against the total consolidated assets. (1) Material deficiencies: direct property losses $\geq 1\%$ of the total consolidated assets. (2) Significant deficiencies: $0.5\% \leq \text{direct property losses} < 1\%$ of total consolidated assets. (3) General deficiencies: direct property losses $< 0.5\%$ of

	likely to result from deficiencies in internal controls are measured against total consolidated assets if they have impacts on the asset management. (1) Material deficiencies: Misstatement $\geq 1\%$ of the total consolidated assets. (2) Significant deficiencies: $0.5\% \leq$ misstatement $< 1\%$ of the total consolidated assets. (3) General deficiencies: misstatement $< 0.5\%$ of the total consolidated assets.	total consolidated assets.
Number of material deficiencies in financial reporting (#)		0
Number of material deficiencies in non-financial reporting (#)		0
Number of significant deficiencies in financial reporting (#)		0
Number of significant deficiencies in non-financial reporting (#)		0

### 1. Internal control self-assessment report

### 2. Internal control audit reports

Applicable  Not applicable

Opinion paragraph in the Internal Control Audit Report	
In our view, as of December 31, 2025, DRCO maintained effective internal control over financial reporting in all material respects, in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Internal control audit disclosure	Disclosed
Disclosure date of the full text of the Internal Control Audit Report	April 28, 2026
Disclosure index of the full text of the Internal Control Audit Report	Please refer to the <i>2025 Internal Control Audit Report</i> disclosed in <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
Type of opinion in the Internal Control Audit Report	Standard unqualified opinion
Whether there are material deficiencies in non-financial reporting	No

Did the accounting firm issue the Internal Control Audit Report with non-standard opinion?

Yes  No

Is the opinion expressed in the Internal Control Audit Report issued by the accounting firm consistent with the Board of Directors' self-assessment report?

Yes  No

Is a non-standard audit opinion on internal control issued during the Reporting Period or in the previous year?

Yes  No

**XVI. Rectification in Self-Inspection Required by Special Campaign to Improve Governance of Listed Companies**

Not applicable

**XVII. Environmental Information Disclosure**

Whether the listed company and its main subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law

Yes  No

**XVIII. Fulfillment of Social Responsibilities**

Please refer to the *2025 Environmental, Social and Corporate Governance Report* disclosed in [www.cninfo.com.cn](http://www.cninfo.com.cn) on April 28, 2026.

**XIX. Contribution to the Consolidation and Expansion of Poverty Alleviation Achievements and Rural Revitalization**

Not applicable.

## Part V. Important Matters

### I. Fulfillment of Commitments

#### 1. Commitments fulfilled during the Reporting Period or suspended at the end of the Reporting Period by DRCO's de facto controllers, shareholders, related parties, acquirers and other committed parties

Applicable Not applicable

Reason	Commitment maker	Commitment type	Description	Commitment time	Commitment period	Status of fulfillment
Commitments made in the acquisition report or equity change report	Not applicable					
Commitments made during asset restructuring	Not applicable					
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Commitments to lock-up	<p>1.The company shares directly or indirectly held by DRCO prior to the proposed offering shall not be transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2.If the closing price of the Company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non- trading day), the lock-up period when the Company shares are held by DRCO shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex- dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above- mentioned period).</p> <p>3.In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which the Company is entitled until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above commitments shall not be terminated due to the fact that the Company steps down as the controlling shareholder of DRCO.</p>	December 15, 2021	December 15, 2021 to June 15, 2025	Completion of performance

Commitments made at the time of the initial public offering or refinancing	Gongqingcheng Wendi No. 1 Investment Management Partnership (LP), Gongqingcheng Wendi No. 2 Investment Management Partnership (LP), Gongqingcheng Wendi No. 3 Investment Management Partnership (LP)	Commitments to lock-up	<p>1.The company shares directly or indirectly held by DRCO prior to the proposed offering shall not be transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2.If the closing price of the Company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non- trading day), the lock-up period when the Company shares are held by DRCO shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex- dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above- mentioned period).</p> <p>3.In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment.</p>	December 15, 2021	December 15, 2021 to June 15, 2025	Completion of performance
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao and Lu Yiwen	Commitments to lock-up	<p>1.The company shares directly or indirectly held by DRCO prior to the proposed offering shall not be transferred or entrusted to others; or be repurchased by DRCO, for a period of 36 months from the date of listing of DRCO's shares.</p> <p>2.If the closing price of the Company shares is lower than the issue price for twenty consecutive trading days within six months after the listing of DRCO; or is less than the issue price at the end of the six months after the listing (June 15, 2022, extended in case of non- trading day), the lock-up period when the Company shares are held by me shall be automatically extended by six months (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex- dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above- mentioned period). 3. Within six months after resignation, do not transfer the Company shares directly or indirectly held by oneself; if I resign within six months of DRCO's shares being listed, I shall not transfer any shares held directly or indirectly in DRCO within 18 months of my resignation; if I resign between the seventh and twelfth months of DRCO's shares being listed, I shall not transfer any shares held directly or indirectly in DRCO within 12 months of my resignation.</p> <p>4. In case of any breach of the relevant commitments, I will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize</p>	December 15, 2021	December 15, 2021 to June 15, 2025	Completion of performance

			<p>to DRCO's shareholders and public investors except of force majeure or other reasons beyond my control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. I shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until adverse impact arising from the non- fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above Commitment shall not terminate if I step down as the actual controller of DRCO or if I change my position or resign from DRCO.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Commitments to share reduction	<p>In case of reducing the shareholding within two years after the expiry of the aforesaid lock-up period, DRCO will exactly comply with relevant regulations of the CSRC and the SZSE on share reduction, prudently formulate a share reduction plan; reduce the shareholding by law; make an official announcement three trading days prior to the reduction; and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The price for the reduction transaction shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>In case of any breach of the relevant commitments, DRCO will promptly announce relevant facts and reasons, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitment. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which the Company is entitled until adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.</p> <p>The above commitments shall not be terminated due to the fact that the Company steps down as the controlling shareholder of DRCO.</p>	June 16, 2025	June 16, 2025 to June 15, 2027	Performing
Commitments made at the time of the initial public offering or refinancing	Gongqingcheng Wendi No. 1 Investment Management Partnership (LP),	Commitments to share reduction	<p>In case of reducing the shareholding within two years after the expiry of the aforesaid lock-up period, DRCO will exactly comply with relevant regulations of the CSRC and the SZSE on share reduction, prudently formulate a share</p>	June 16, 2025	June 16, 2025 to June 15, 2027	Performing

	Gongqingcheng Wendi No. 2 Investment Management Partnership (LP), Gongqingcheng Wendi No. 3 Investment Management Partnership (LP)		reduction plan; reduce the shareholding by law; make an official announcement three trading days prior to the reduction; and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The price for the reduction transaction shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex-dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period). In case of any breach of the aforesaid commitments, DRCO will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments.			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments on horizontal competition, connected transactions, and capital appropriation	<p>I. Commitment regarding the avoidance of competitive business activities</p> <p>1. As of the date of this commitment letter, except for the Company and its wholly-owned or controlled subsidiaries, the Company/I and other enterprises, organizations or entities controlled by the Company/me are not currently engaged, directly or indirectly, in any business activities that constitute competition with the main business of the Company and its wholly-owned or controlled subsidiaries;</p> <p>2. No engagement or association with others, directly or indirectly, is allowed in any business which is the same as, similar to or in any way competitive with the issuer;</p> <p>3. All of efforts shall be made to ensure other affiliates of the commitment makers not to deal in any business that is the same as, similar to or in any way competitive with the issuer;</p> <p>4. No investment shall be permitted in a company, enterprise or other entity or organization whose business is the same as, similar to or in any way competitive with the issuer;</p> <p>5. Any know-how or business secrets, such as sales channels or customer information, shall be disclosed to any other company, enterprise or other entity, organization or person whose business is the same as, similar to or in any way competitive with that of the issuer;</p> <p>6. If, in the future, the Company/I get any business opportunity from any third party that may compete with the issuer in the same line of business, the Company/I will, in accordance with the principle of the priority of the issuer, inform the issuer immediately and assist the issuer to the extent possible in obtaining such business opportunity;</p> <p>7. If the Company/I breach the above</p>	December 15, 2021	Permanently valid	Performing

			<p>commitments and cause financial loss to the issuer, the Company/I shall be jointly and severally liable for all losses suffered by the issuer as a result, and the proceeds obtained by DRCO/I as a result of such breach shall accrue to the issuer.</p> <p>II. Commitment on reducing and regulating connected transactions</p> <p>1. The company/I shall try to avoid or reduce the occurrence of connected transactions with DRCO and the subsidiary entities, and urge the associate parities of the Company and mine to avoid or reduce the connected transactions with DRCO and the subsidiary entities.</p> <p>2. If the transactions between I/the Company or relevant parities of mine/the Company with DRCO and the subsidiary entities are necessary and unavoidable, I/the Company undertakes to operate at arm's length in accordance with market-based principles and fair prices, and comply with the transaction procedures and information disclosure obligations in accordance with the relevant laws and regulations, regulatory documents, rules of the stock exchange and the Articles of Association of DRCO, and ensure that the legitimate rights and interests of the issuer and its other shareholders or stakeholders are not prejudiced by connected transactions.</p> <p>3. If I/the Company or the connected party of mine/the Company breaches the above commitment, I/the Company shall be held liable for all the liabilities arising therefrom and shall fully compensate or indemnify DRCO and its shareholders or stakeholders for all losses caused thereby.</p> <p>4. This commitment letter shall take effect from the date of the signature of mine/the Company and shall expire on the date when 12 months have elapsed since I/the Company cease to be affiliated with DRCO.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to compensating the issuer for possible losses due to the leased property	<p>If the issuer and its subsidiaries receive a notice of correction from the competent administrative authorities because the properties leased by them have not been registered for lease filing in accordance with the laws, regulations and normative documents currently in force, the Company/I will actively supervise the issuer and its subsidiaries to make rectification in accordance with the requirements. In the event that the issuer and its subsidiaries suffer financial losses due to failure to register the lease, defects in the title of the leased property or defects in the rights of the lessor, defects in the properties built on the leased collective land or administratively allocated land, the Company/I shall agree to use our own funds to fully compensate the issue and its subsidiaries so that they do not suffer any financial losses as a result.</p>	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitment to retroactive payment of social security contributions and housing provident fund	<p>In the event that the issuer or its subsidiaries are required by the competent authorities to make retroactive payments due to failure to make full payment of social security contributions or housing fund in accordance with laws, the Company/I shall be fully liable for the retroactive payments and shall ensure that</p>	December 15, 2021	Permanently valid	Performing

			the issuer or its subsidiaries shall not suffer any financial loss as a result.			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Binding measures in case of failure to fulfill Commitments	1. In the event of a breach of the relevant commitments, DRCO will promptly disclose the fact and reasons for the breach and, except for force majeure or other reasons beyond DRCO's control, DRCO will make a public apology to its shareholders and public investors; 2. If the failure to fulfill the relevant commitments caused losses to investors, DRCO shall compensate investors for losses in accordance with laws.	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd.	Binding measures in case of failure to fulfill Commitments	1. In case of any breach of the aforesaid commitments, DRCO will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control.; 2. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to the Company. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. 3. In the event of a breach of the relevant commitments, DRCO shall be entitled to withhold the cash dividends (if any) to which the Company is entitled until the adverse impact arising from the non-fulfillment of the relevant commitments has been fully eliminated.	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang, Liang Jun, Zhong Min, Lin Zhenghai, Zhao Ranran, Yin Luwen and Wang Tong	Binding measures in case of failure to fulfill Commitments	1. In case of any breach of the aforesaid commitments, I will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to the shareholders and public investors except of force majeure or other reasons beyond control.; 2. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to the Company. The company shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. 3. In the event of a breach of the relevant commitments, I shall be entitled to withhold the cash dividends (if any) to which I am entitled until the adverse impact arising from the non-fulfillment of the relevant commitments has been fully eliminated.	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments relating to disclosing shareholder information when applying for initial public offering and listing on the ChiNext Market	1. DRCO has disclosed the information of shareholders in the prospectus in a true, complete and accurate manner; 2. There are no cases of proxy shareholding or fiduciary shareholding in DRCO's development history, and there are no disputes or potential disputes over equities, etc.; 3. No stockholders directly or indirectly hold shares of the issuer, which is prohibited by laws and regulations; 4. No intermediary participating into the offering or its supervisor, senior management or managerial personnel directly or indirectly hold shares of the issuer;	December 15, 2021	Permanently valid	Performing

			<p>5. DRCO does not have any improper transfer of benefits with the issuer's equity;</p> <p>6. If DRCO breaches the above commitments, it will be liable for all legal consequences arising therefrom.</p>			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao and Lu Yiwen	Share reduction commitment	<p>After the expiry of the lock-up commitment, I will declare annually to DRCO the shares I have owned directly or indirectly in DRCO and any changes therein during my tenure as a director, supervisor or senior manager of DRCO. The shares transferred each year will not exceed 25% of the total number of shares I hold directly or indirectly in DRCO.</p> <p>In case of reducing the shareholding within two years after the expiry of the lock-up period, I will exactly comply with the relevant regulations of the CSRC and the SZSE on shareholding reduction, prudently formulate a shareholding reduction plan, reduce the shareholding through lawful means, and make an announcement through DRCO three trading days prior to the reduction, and fulfill information disclosure obligations in a timely and accurate manner in accordance with the rules of the SZSE. The reduction price shall not be lower than the issue price (subject to adjustments in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex- dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period).</p> <p>In case of any breach of the relevant commitments, I will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to DRCO's shareholders and public investors except of force majeure or other reasons beyond my control. Any profit made as a result of the non-fulfillment of the relevant commitments will belong to DRCO. I shall be held liable for compensating DRCO or investors in accordance with laws in the event of any loss that is caused to DRCO or investors as a result of the non-fulfillment of the relevant commitments. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until adverse impact arising from the non- fulfillment of the relevant commitments have been fully eliminated.</p>	June 15, 2025	June 16, 2025 to June 15, 2027	Performing
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Share repurchase commitment	<p>If, as a result of a false record, misleading statement or material omission in the prospectus for DRCO's proposed offering and listing, which constitutes a material and substantial effect on the determination of whether DRCO complies with the offering conditions as required by laws, within 10 working days from the date such illegal facts are determined by the CSRC, the stock exchange or a competent authority such as a judicial authority, DRCO will initiate the share repurchase procedure in accordance with laws to repurchase all the new shares in the initial public offering. The repurchase price shall be no less than the issue price of DRCO's</p>	December 15, 2021	Permanently valid	Performing

			shares plus interest on deposits with banks for the same period from the issue of the shares to the time of repurchase (the above price will be adjusted accordingly in the event of ex- dividend or ex- rights actions such as dividend payment, bonus issue, conversion of reserves into share capital, issuance of additional shares or rights issue after the listing of DRCO).			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Share repurchase commitment	If, as a result of a false record, misleading statement or material omission in the prospectus for DRCO's proposed offering and listing, which constitutes a material and substantial effect on the determination of whether DRCO complies with the offering conditions as required by laws, within 10 working days from the date such illegal facts are determined by the CSRC, the stock exchange or a competent authority such as a judicial authority, the Company/I will initiate the share buyback procedure in accordance with laws to buy back all restricted shares having been transferred, and the consideration for such buyback will not be lower than the issue price of DRCO plus the interest on deposits with banks for the same period from the time of stock issuance to the time of buyback (subject to adjustment in accordance with the relevant regulations of CSRC and SZSE in the event of ex- rights and ex- dividend events such as dividend distribution, bonus issue, transfer of shares, issue of additional shares or rights issue by DRCO during the above-mentioned period). At the same time, the Company/I will urge DRCO to repurchase all of its new shares issued during the IPO.	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited, DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to share repurchase in case of fraudulent offering and listing	1. The company/I undertake and guarantee that there is no fraud in the proposed offering and listing of DRCO; 2. If DRCO does not meet the listing conditions, but fraudulently obtains the issuance registration and has been listed, the Company/I will take share repurchase process to buy back all new stocks publicly issued by DRCO within 5 days after confirmed by competent authorities like CSRC.	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Measures for and Commitments to cover diluted immediate returns	The proposed public offering may lead to dilution of investors' immediate returns. In order to further implement the relevant provisions of the Opinions of the General Office of the State Council on Further Strengthening the Protection of the Legitimate Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110), optimize the investment return mechanism and safeguard the legitimate rights and interests of small and medium-sized investors, DRCO intends to take following measures to enhance DRCO's profitability and strengthen DRCO's ability to sustain returns: 1. Strengthen the main business and improving DRCO's sustainable profitability: DRCO is mainly engaged in brand operation, customized sales, R&D and design of jewelry, and customizes high- quality diamond-inlaid jewelry such as engagement and wedding rings. To consolidate its core business, DRCO will take advantage of the rapid development of China's jewelry industry. Through the	December 15, 2021	Permanently valid	Performing

			<p>proposed public offering and listing, DRCO will enhance its brand image and influence, expand its marketing network, strengthen its information systems and improve its creative design ability of diamond jewelry. DRCO will consolidate its industry leadership and sharpen its sustainable profitability by enhancing its core competitiveness in terms of brand strength, capital strength, marketing network coverage and product design capability.</p> <p>2. Accelerate the investment progress of proceeds-funded projects, improve the efficiency of capital utilization, and strive to achieve the expected returns from the projects soon as possible. The proceeds-funded projects include marketing network construction, information system construction, the R&amp;D and creative design center for diamond jewelry and working capital replenishment, all of which are related to DRCO's main business. DRCO will speed up the construction progress of these projects and improve the capital utilization to enhance its profitability as soon as possible. Meanwhile, the use of the proceeds will be strictly managed to ensure the smooth progress of the proceeds-funded projects. These projects will help DRCO further enhance its market competitiveness, consolidate its existing sales channel advantages and R&amp;D and design capabilities, increase expand the market share of its main business, and increase the return for shareholders.</p> <p>3. Increase the efficiency of daily operations, reduce operating costs, and improve business performance DRCO will further reduce its operating costs through reasonable means, and improve internal control, operating efficiency and profitability. At the same time, DRCO will strive to improve the human resources management and the supporting compensation system to motivate employees at all levels, continue to attract top talents and strengthen talent training, optimize the talent pools and reduce the risk of brain drain, hence laying a solid foundation for its rapid development.</p> <p>4. Refine the profit distribution policy, and optimize the return on investment mechanism In order to establish a continuous, stable and scientific mechanism for investors regarding the return on investment and to ensure the continuity and stability of the profit distribution policy through the systematic institutional arrangements, DRCO has, in accordance with the relevant requirements, clarified the specific conditions, ratio and form of profit distribution, improved the decision-making procedures and mechanism for profit distribution as well as the principles for adjusting the profit distribution policy. DRCO will distribute profits in strict accordance with the Articles of Association and other regulations, formulate and implement a continuous and stable cash dividend plan, and further improve the profit distribution system, especially the cash dividend policy where necessary, refine the investor</p>		
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			<p>return mechanism, and effectively safeguard the legitimate rights and interests of investors and improve the mechanism for protecting the rights and interests of minority investors.</p> <p>5. Further improving the protection system for minority investors DRCO has formulated a series of systems such as the <i>Investor Relations Management System</i> and the <i>Information Disclosure Management System</i> to fully protect the rights of minority investors to be informed and to participate in decision-making, and such institutional arrangements ensure their rights to access the corporate information, choose management officers and participate in major decisions. DRCO undertakes to further improve the relevant systems for protecting minority protectors in accordance with the implementation rules or requirements issued by regulatory authorities including the CSRC and the stock exchange as well as the common practices of listed peers.</p> <p>The above-mentioned measures are designed to not only ensure the effective use of the funds raised by DRCO and but also prevent the risk of diluting the immediate return by the proposed offering, which are conducive to sharpening DRCO's core competitiveness and sustainable profitability, increasing its future earnings and enhancing the return for shareholders. However, due to the objective existence of internal and external risks faced by DRCO, the implementation of the above measures does not represent a guarantee of future profits made by DRCO.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to cover diluted immediate returns	<ol style="list-style-type: none"> <li>1. The company/I shall not abuse the position as a controlling shareholder/actual controller, shall not interfere with the operation and management activities of DRCO beyond authority, and shall not encroach on the interests of DRCO;</li> <li>2. The company/I will actively urge DRCO to effectively implement the relevant measures to recover the immediate return;</li> <li>3. After the CSRC or the SZSE has issued separate opinions and implementation rules on measures and commitments to cover diluted immediate returns, if the relevant rules of DRCO and the commitments of the Company/me are not in line with such rules, the Company/I undertake to promptly make additional commitments in accordance with the rules of the CSRC or the SZSE and actively urge DRCO to make new commitments to satisfy the requirements of the CSRC or the SZSE;</li> <li>4. If the Company/I breach the above commitments and cause losses to DRCO or investors, the Company/I will bear the responsibility to compensate DRCO or investors in accordance with laws.</li> </ol>	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang,	Commitments to cover diluted immediate returns	<ol style="list-style-type: none"> <li>1. I neither transmit benefits to other entities or individuals without compensation or on unfair terms, nor in any other way harm the interests of DRCO;</li> <li>2. I exercise restraint in duty consumption;</li> <li>3. I shall not use DRCO's assets to engage in investment and consumption activities</li> </ol>	December 16, 2021	Permanently valid	Performing

	Liang Jun, Zhong Min and Lin Zhenghai		<p>unrelated to the performance of my duties;</p> <p>4. I will actively promote the improvement of DRCO's remuneration system to make it better comply with the requirements of covering diluted immediate returns; I will support the Board of Directors or Remuneration Committee of DRCO in formulating, amending and supplementing DRCO's remuneration system in line with the implementation of DRCO's measures to recover the returns;</p> <p>5. When promoting DRCO's share incentive scheme (if any), I will actively promote the link between the exercise terms of the share incentive and the implementation of DRCO's measures to recover the return;</p> <p>6. After the CSRC or the SZSE has issued separate opinions and implementation rules on measures and commitments to cover diluted immediate returns, if my commitments are not in line with such rules, I undertake to promptly make additional commitments in accordance with the rules of the CSRC or the SZSE to satisfy the requirements of the CSRC or the SZSE;</p> <p>7. If I breach the above commitments and cause losses to DRCO or investors, I will bear the responsibility to compensate DRCO or investors in accordance with laws.</p>			
Commitments made at the time of the initial public offering or refinancing	DR Corporation Limited	Commitments to undertaking liability for compensation in accordance with laws	<p>1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and DRCO shall be jointly and severally liable for the authenticity, accuracy and completeness of the information thereof.</p> <p>2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's prospectus, DRCO shall compensate the investor for the loss in accordance with laws;</p> <p>3. In the event of a breach of the relevant commitments, DRCO will promptly disclose the fact and reasons for the breach and, except for force majeure or other reasons beyond DRCO's control, DRCO will make a public apology to its shareholders and public investors. If losses are caused to investors, compensation will be made in accordance with laws. Meanwhile, DRCO will make timely rectification in accordance with the requirements of the CSRC or the stock exchange.</p>	December 15, 2021	Permanently valid	Performing
Commitments made at the time of the initial public offering or refinancing	DR Investment (Zhuhai) Co., Ltd., Zhang Guotao and Lu Yiwen	Commitments to undertaking liability for compensation in accordance with laws	<p>1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and the Company/I shall be jointly and severally liable for the authenticity, accuracy and completeness of the information thereof.</p> <p>2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's prospectus, the Company/I shall compensate the investor for the loss in accordance with laws;</p> <p>3. In case of any breach of the foresaid commitments, DRCO will promptly</p>	December 15, 2021	Permanently valid	Performing

			disclose the facts and reasons for the breach and, except of force majeure or other reasons beyond our control, the Company will apologize to shareholders and public investors of DRCO who shall have the right to temporarily withhold the cash dividends (if any) to which the Company is entitled until such time as adverse impact arising from the non-fulfillment of the relevant commitments have been fully eliminated.			
Commitments made at the time of the initial public offering or refinancing	Zhang Guotao, Lu Yiwen, Wei Qingxing, Huang Shuirong, Hu Xiaoming, Chen Qisheng, Li Yang, Liang Jun, Zhong Min, Lin Zhenghai, Zhao Ranran, Yin Luwen and Wang Tong	Commitments to undertaking liability for compensation in accordance with laws	1. The prospectus for DRCO's initial public offering and listing on the ChiNext Market does not contain any false records, misleading statements or material omissions, and I shall be jointly and severally liable for the authenticity, accuracy and completeness of the information thereof; 2. If an investor suffers loss in securities trading as a result of a false statement, misleading statement or material omission in DRCO's prospectus, I shall compensate the investor for the loss in accordance with laws; 3. In case of any breach of the relevant commitments, DRCO will promptly announce the facts and reasons for the breach of commitments, and will publicly apologize to DRCO's other shareholders and public investors except of force majeure or other reasons beyond my control. DRCO shall have the right to temporarily withhold the cash dividends (if any) to which I am entitled and suspend the payment of my remuneration or allowances during my employment with DRCO until such time as adverse impact arising from the non- fulfillment of the relevant commitments have been fully eliminated.	December 15, 2021	Permanently valid	Performing
Whether the commitment is fulfilled on time	Yes					
Details of specific reasons and next steps for any outstanding delayed commitment	Not applicable					

**2. If there is a profit forecast for DRCO's assets or projects and the Reporting Period is still within the profit forecast period, DRCO provides an explanation of the assets or projects meeting the original profit forecast and the reasons thereof**

Applicable Not applicable

**3. The company's commitment involving performance**

Applicable Not applicable

**II. Whether the Controlling Shareholders and Other Associates of DRCO Have Misappropriated DRCO's Funds for Non-Business Purpose**

Applicable Not applicable

No controlling shareholders and other associates of DRCO have misappropriated DRCO's funds for

nonbusiness purpose.

### III. Whether External Guarantees Are Provided in Violation of Provisions

Applicable Not applicable

During the Reporting Period, DRCO didn't provide external guarantees in violation of provisions.

### IV. Statements of the Board of Directors on Latest "Non-standard Audit Report"

Applicable Not applicable

### V. Statements of the Board of Directors, Audit Committee and the Independent Directors (if any) on the "Non-standard Audit Report" Issued by the Accounting Firm for the Reporting Period

Applicable Not applicable

### VI. Statements of the Board of Directors on Any Change in Accounting Policies and Accounting Estimates or Any Correction of Significant Accounting Errors during Reporting Period

Applicable Not applicable

### VII. Statements on Changes in Scope of Consolidated Financial Statements Compared with Financial Report for the Preceding Year

Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the Reporting Period	Impact on overall operation and performance
DR Design (Shenzhen) Co., Ltd.	Established through investment	No significant impact
DARRY RING JEWELRY(MALAYSIA)SDN.BHD.	Established through investment	No significant impact
Henan DR Jewelry	Deregistered	No significant impact
Hangzhou DR Jewelry Co., Ltd.	Deregistered	No significant impact

### VIII. Appointment and Dismissal of Accounting Firms

Currently appointed accounting firm

Name of domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic accounting firm (RMB0'000)	145
Number of consecutive years of audit by domestic accounting firm	1

Names of certified public accountants of domestic accounting firm	Peng Jinyong, Luo Wei
Number of continuous years of audit services by certified public accountants of domestic accounting firm	Peng Jinyong 1 year, Luo Wei 1 year

Whether the accounting firm was changed

Yes No

Whether the accounting firm was changed during the audit period

Yes No

Whether approval procedures were fulfilled for the change of accounting firm

Yes No

Explanation of the appointment and dismissal of the accounting firm

On July 10, 2025, the 14th meeting of the second session of the Board of Directors was held, followed by the 2025 Second Extraordinary General Meeting on July 30, 2025. The meetings deliberated and passed the *Proposal on the Change of the 2025 Annual Audit Institution*. It was agreed that the Company's audit institution for the year 2025 would be changed to Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) (hereinafter referred to as "Deloitte"), which would be responsible for the audit of the Company's 2025 annual financial report and internal controls for a term of one year. For further details, please refer to the Announcement on the *Change of the 2025 Annual Audit Institution* (Announcement No.: 2025-036) disclosed by the Company on July 11, 2025, on the Juchao Information Website (www.cninfo.com.cn).

In October 2025, the Company received the *Letter Regarding the Change of Signing Certified Public Accountants for the 2025 Annual Audit of DR Corporation Limited* issued by Deloitte. Due to the departure of the original signing Certified Public Accountant (CPA), Mr. Zhong Zhengqiao, Deloitte appointed Ms. Luo Wei to succeed Mr. Zhong Zhengqiao as the signing CPA for the Company's 2025 annual audit project to complete the audit work for the 2025 financial report and internal controls. The company's signing CPAs were changed from Mr. Peng Jinyong and Mr. Zhong Zhengqiao to Mr. Peng Jinyong and Ms. Luo Wei. For further details, please refer to the Announcement on the Change of Signing Certified Public Accountants (Announcement No.: 2025-061) disclosed by the Company on October 30, 2025, on the Juchao Information Website (www.cninfo.com.cn).

Appointment of internal control audit accounting firm, financial advisor or sponsor

Applicable Not applicable

During the Reporting Period, the Company engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's internal control audit accounting firm, with audit fees of RMB 270,000.

## IX. Risk of Delisting after Disclosure of Annual Report

Applicable Not applicable

## X. Matters Relating to Bankruptcy and Reorganization

Applicable Not applicable

No bankruptcy and reorganization-related matters occurred during the Reporting Period.

**XI. Material Litigations and Arbitrations**Applicable Not applicable

Basic information on litigation (arbitration)	Amount involved (RMB'000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Ruling results and impacts	Enforcement of judgments	Date of disclosure	Index for inquiry
There were 144 cases that don't meet the criteria for disclosure of material litigation (arbitration) and in which DRCO is the plaintiff / claimant, including 140 claims brought by DRCO for infringement of intellectual property rights.	1,053.54	No	As of the end of the Reporting Period, 45 of the aforementioned cases had been closed and 99 were pending.	No impact	Cases closed at the end of the Reporting Period were executed in accordance with the judgments/rulings or settlement and mediation.		Not applicable
There were 27 cases that don't meet the criteria for disclosure of material litigation (arbitration) and in which DRCO was the defendant/respondent.	521.59	No	As of the end of the Reporting Period, 21 of the aforementioned cases had been closed and 6 were pending.	No impact	Cases closed at the end of the Reporting Period were executed in accordance with the judgments/rulings or settlement and mediation.		Not applicable

**XII. Punishment and Rectification**Applicable Not applicable

There was no significant punishment or rectification during the Reporting Period.

**XIII. Integrity of DRCO and Its Controlling Shareholders and Actual Controllers**Applicable Not applicable**XIV. Material Connected Transactions****1. Connected transactions related to daily operation**Applicable Not applicable

There were no connected transactions related to daily operation during the Reporting Period.

**2. Connected transactions related to the acquisition or disposal of assets or equity interests**Applicable Not applicable

There were no connected transactions related to the acquisition or disposal of assets or equity interests

during the Reporting Period.

### 3. Connected transactions relating to common external investments

Applicable Not applicable

There were no connected transactions relating to common external investments during the Reporting Period.

### 4. Related creditor's right and debt transactions

Applicable Not applicable

There were no related creditor's right and debt transactions during the Reporting Period.

### 5. Transactions with financial companies with connected relationship

Applicable Not applicable

There were no deposits, loans, credit facilities or other financial operations between DRCO and connected parties or financial companies with connected relationships.

### 6. Transactions between financial companies controlled by DRCO and connected parties

Applicable Not applicable

There were no deposits, loans, credit facilities or other financial operations between financial companies controlled by DRCO and connected parties of DRCO.

### 7. Other material connected transactions

Applicable Not applicable

The Company had no other major related-party transactions during the Reporting Period.

## XV. Contracts of Significance and Their Execution

### 1. Trust, contracting and leasing matters

#### (1) Trust

Applicable Not applicable

There was no trust during the Reporting Period.

#### (2) Contracting

Applicable Not applicable

There was no contracting during the Reporting Period.

#### (3) Leasing

Applicable Not applicable

Description of leasing matters

DRCO's leased assets are mainly leased for self-operated stores which have been recognized as right-of-use assets according to the new accounting standards for lease, and there are no other significant leased assets. For details, please refer to 14. Right-of-use Assets/VII. Notes to the Consolidated Financial Statement/Part VIII Financial Reports.

Projects whose gains/losses attributable to DRCO account for more than 10% of DRCO's total profit for the Reporting Period

Applicable Not applicable

There were no projects whose gains/losses attributable to DRCO account for more than 10% of DRCO's total profit for the Reporting Period.

## 2. Material guarantees

Applicable Not applicable

Unit: RMB'000

External guarantees provided by DRCO and its subsidiaries (excluding guarantees for subsidiaries)										
Debtor	Date of disclosure of announcement on guarantee amount	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party
DRCO's guarantee for subsidiaries										
Debtor	Date of disclosure of announcement on guarantee amount	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party
Zhoukou DR Jewelry	October 28, 2022	50	January 1, 2023	32.81	Joint and several liability	No	No	33 Months	Yes	No
Chengdu DR Jewelry	August 29, 2022	700		412.35 <sup>1</sup>	Joint and several liability	No	No	45 Months	No	No
Hangzhou DR Jewelry Co., Ltd.	August 29, 2022	1,000	February 1, 2023	119.15	Joint and several liability	No	No	27 Months	Yes	No
Jinan DR Jewelry	August 29, 2022	500	September 1, 2022	396.49	Joint and several liability	No	No	31 Months	Yes	No
Kunming DR Jewelry	August 29, 2022	500	February 1, 2023	109.75	Joint and several liability	No	No	46 Months	No	No
Ningbo DR Jewelry	August 29, 2022	600	October 29, 2022	173.36	Joint and several liability	No	No	44 Months	No	No
Ningbo DR Jewelry	August 29, 2022	600	January 1, 2023	95.97	Joint and several liability	No	No	47 Months	No	No
Shanghai DR Jewelry	August 29, 2022	450	October 1, 2022	237.37	Joint and several liability	No	No	41 Months	No	No
Shenzhen DR Jewelry	August 29, 2022	400	May 1, 2023	242.08	Joint and several liability	No	No	34 Months	No	No
Suzhou Zhongzu'an DR Jewelry	August 29, 2022	550		404.87	Joint and several liability	No	No	51 Months	No	No
Xi'an Zhongzu'an DR Jewelry	August 29, 2022	450	October 1, 2022	161.14	Joint and several liability	No	No	35 Months	Yes	No
Changsha DR Jewelry	August 29, 2022	900	September 1, 2022	894.06	Joint and several liability	No	No	45 Months	No	No
Changsha DR Jewelry	August 29, 2022	100	December 1, 2022	85.25	Joint and several liability	No	No	31 Months	Yes	No
Zhengzhou DR Jewelry	August 29, 2022	350	January 1, 2023	141.9	Joint and several	No	No	45 Months	No	No

Jewelry					liability					
Chongqing DR Jewelry	October 28, 2022	530		476.66	Joint and several liability	No	No	40 Months	Yes	No
Mianyang DR Jewelry	October 28, 2022	140	February 1, 2023	117.83	Joint and several liability	No	No	32 Months	Yes	No
Jining DR Jewelry	October 28, 2022	50	April 1, 2023	43.67	Joint and several liability	No	No	31 Months	Yes	No
Haoduo Diamond (Shenzhen) Co., Ltd.	April 27, 2023	30,000	October 23, 2024	10,000	Joint and several liability	No	No	36 Months	Yes	No
Haoduo Diamond (Shenzhen) Co., Ltd.	April 26, 2025	30,000	July 15, 2025	8,000	Joint and several liability	No	No	36 Months	No	No
			September 3, 2025	2,000	Joint and several liability	No	No	36 Months	No	No
Haoduo Diamond Zhizao (Shenzhen) Co., Ltd.	April 26, 2025	30,000								
Total amount of approved guarantee for subsidiaries during the Reporting Period (B1)			60,000	Actual amount of guarantee for subsidiaries during the Reporting Period (B2)						10,000
Actual amount of approved guarantee for subsidiaries as at the end of the Reporting Period (B3)			65,050	Balance of actual guarantee for subsidiaries as at the end of the Reporting Period (B4)						12,666.06
Subsidiaries' guarantee for subsidiaries										
Debtor	Date of disclosure of announcement on guarantee amount	Guarantee amount	Actual occurrence date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether fulfilled	Whether it is a guarantee for a related party
Total amount of guarantee of DRCO (i.e., the sum of the first three items)										
Total amount of approved guarantee during the Reporting Period (A1+B1+C1)			60,000	Total amount of guarantee actually incurred during the Reporting Period						10,000
Total amount of approved guarantee as at the end of the Reporting Period (A3+B3+C3)			65,050	Total balance of guarantee actually incurred as at the end of the Reporting Period (A4+B4+C4)						12,666.06
Total amount of guarantee (i.e., A4 + B4 + C4) as a percentage of DRCO's net assets				2.02%						
Including:										
Balance of guarantee provided for shareholders, actual controller and its related party				0						
Balance of debt guarantees provided, directly or indirectly, to those with a gearing ratio of more than 70% (E)				894.06						
Difference between total guarantee amount and 50% of net assets (F)				0						
Total (D+E+F)				894.06						

Note: 1 As of the end of the Reporting Period, RMB 456,500 of the actual guarantee amount provided to Chengdu DR Jewelry Co., Ltd. had been fully discharged.

Description of the use of composite guarantee

### 3. Entrusted cash and assets under management

#### (1) Entrusted wealth management

Applicable Not applicable

Overview of entrusted wealth management during the Reporting Period

Unit: RMB'000

Product category	Risk profile	Balance of entrusted wealth management during the Reporting Period	Amount overdue and not recovered
Wealth management products of securities brokers	R1 Low Risk, R2 Medium-Low Risk, R3 Medium Risk, R4 Medium-High Risk	288,174.42	0.00
Wealth management products of banks	R1 Low Risk, R2 Medium-Low Risk, R3 Medium Risk	123,012.26	0.00
Wealth management products of trusts	R2 Medium-Low Risk, R3 Medium Risk, R4 Medium-High Risk	82,700	0.00
Products of private equity funds	R2 Medium-Low Risk, R3 Medium Risk, R4 Medium-High Risk	40,996.13	0.00
Others	R1 Low Risk, R2 Medium-Low Risk, R3 Medium Risk	9,200	0.00

Details of high-risk entrusted wealth management where the Company acts as a single principal entrusting financial institutions for asset management, or investments with lower security and poorer liquidity

Applicable Not applicable

Unit: RMB'000

Name of entrusted institution (or trustee)	Type of entrusted institution (or trustee)	Risk profile	Product type	Amount	Start Date	End Date	Allocation of funds	Actual profit or loss during the Reporting Period	Actual recovery of profit or loss during the Reporting Period	Summary of matters and relevant search index (if any)
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	100	July 15, 2022		Debt assets	2.39	Outstanding and not yet matured	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	20,000	August 10, 2022		Debt assets	500.56	Outstanding and not yet matured	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	1,000	September 20, 2022	July 01, 2025	Debt Assets	15.99	Full recovery of principal and interest	
Bank of Dongguan	Bank	R1	Certificates of deposit	10,000	November 08,	November 08,	Debt assets	285.36	Full recovery of	

Co., Ltd.					2022	2025			principal and interest	
HSBC Bank (China) Company Limited	Bank	R1	Certificates of deposit	3,000	December 07, 2022	December 07, 2025	Debt assets	89.9	Full recovery of principal and interest	
Bank of China Limited	Bank	R2	Structured Deposits	5,000	December 13, 2022	April 07, 2025	Commodity and financial derivative assets	41.27	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	February 06, 2023	February 10, 2025	Debt assets	17.09	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	February 06, 2023	February 11, 2025	Debt assets	17.51	Full recovery of principal and interest	
China CITIC Bank Corporation Limited	Bank	R1	Certificates of deposit	20,000	March 01, 2023	March 01, 2026	Debt assets	622.64	Outstanding and not yet matured	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	March 09, 2023	March 09, 2026	Debt assets	155.66	Outstanding and not yet matured	
China Everbright Bank Company Limited	Bank	R1	Time deposits	15,000	March 14, 2023	March 14, 2026	Debt assets	459.91	Outstanding and not yet matured	
China Construction Bank Corporation	Bank	R1	Certificates of deposit	2,000	March 27, 2023	March 27, 2026	Debt assets	58.49	Outstanding and not yet matured	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	5,000	April 20, 2023		Debt assets	172.2	Outstanding and not yet matured	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	10,000	April 20, 2023	May 28, 2025	Debt assets	574.05	Full recovery of principal and interest	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	5,000	April 20, 2023	June 19, 2025	Debt assets	140.95	Full recovery of principal and interest	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	10,000	August 24, 2023		Debt assets	27.9	Outstanding and not yet matured	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	9,896.13	August 25, 2023		Debt assets	227.31	Outstanding and not yet matured	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	103.87	August 25, 2023	December 8, 2025	Debt assets	0.58	Full recovery of principal and interest	
UBS Securities Co. Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	15,000	September 7, 2023	September 5, 2025	Debt assets	351.69	Full recovery of principal and interest	
UBS Securities Co. Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	September 23, 2023	September 21, 2026	Debt assets	163.07	Outstanding and not yet matured	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	1,000	January 9, 2024	May 20, 2025	Debt assets	7.5	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary	3,000	January 18, 2024	January 24, 2025	Commodity and financial	6.54	Full recovery of principal and	

			certificates				derivative assets		interest	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	6,000	January 25, 2024	December 8, 2025	Debt assets	128.36	Full recovery of principal and interest	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	3,000	January 25, 2024	May 26, 2025	Debt assets	30.18	Full recovery of principal and interest	
Shunlong Asset Management (Beijing) Co., Ltd.	Private equity fund manager	R2	Fixed income	2,000	January 25, 2024	June 18, 2025	Debt assets	23.36	Full recovery of principal and interest	
DBS Bank (China) Limited	Bank	R2	Fixed income	9,942.22	February 5, 2024	August 5, 2025	Debt assets	32.41	Full recovery of principal and interest	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	10,000	February 20, 2024		Debt assets	308.9	Outstanding and not yet matured	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	784.53	February 28, 2024	October 14, 2025	Debt assets	7.3	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	4,905.39	February 28, 2024	September 16, 2025	Debt assets	3.44	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	7,808.58	February 28, 2024	September 23, 2025	Debt assets	-12.46	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	2,000.2	February 28, 2024	June 10, 2025	Debt assets	15.79	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	2,001.3	February 28, 2024	May 20, 2025	Debt assets	14.06	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	1,368.18	March 27, 2024	October 14, 2025	Debt assets	11.39	Full recovery of principal and interest	
UBS Asset Management (Shanghai) Limited	Private equity fund manager	R2	Fixed income	131.82	March 27, 2024	October 29, 2025	Debt assets	1.45	Full recovery of principal and interest	
China Securities Fund Management Co., Ltd.	Fund	R2	Fixed income	8,000	April 2, 2024	April 9, 2025	Debt assets	-7.81	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	April 15, 2024	April 18, 2025	Commodity and financial derivative assets	16.16	Full recovery of principal and interest	
GF Global Capital Limited	Securities	R2	Principal-guaranteed fixed-income notes	14,213.2	April 29, 2024	April 28, 2025	Debt assets	291.59	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	2,000	May 13, 2024	May 12, 2025	Commodity and financial derivative assets	32.89	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary	8,000	May 13, 2024	February 13, 2025	Commodity and financial	37.86	Full recovery of principal and	

			certificates				derivative assets		interest	
China Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	10,000	May 14, 2024	May 13, 2025	Commodity and financial derivative assets	86.49	Full recovery of principal and interest	
Bank of Ningbo Co., Ltd.	Bank	R1	Certificates of deposit	2,000	May 21, 2024	May 21, 2027	Debt assets	54.52	Outstanding and not yet matured	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	June 19, 2024	June 18, 2025	Commodity and financial derivative assets	66.74	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	June 25, 2024	June 24, 2025	Commodity and financial derivative assets	58.21	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	10,000	July 3, 2024	July 2, 2025	Commodity and financial derivative assets	90.79	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	13,000	July 3, 2024	April 9, 2025	Commodity and financial derivative assets	0	Full recovery of principal and interest	
CITIC Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	6,000	July 3, 2024	July 2, 2025	Commodity and financial derivative assets	-16.61	Full recovery of principal and interest	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	6,000	July 3, 2024	June 27, 2025	Commodity and financial derivative assets	-21.62	Full recovery of principal and interest	
China Securities (International) Corporate Finance Company Limited	Securities	R2	Principal-guaranteed fixed-income notes	8,913.75	July 9, 2024	July 9, 2025	Debt assets	247.47	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	7,000	July 22, 2024	April 23, 2025	Commodity and financial derivative assets	-3.73	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	10,000	July 30, 2024	July 29, 2025	Commodity and financial derivative assets	57.17	Full recovery of principal and interest	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	11,000	July 30, 2024	July 25, 2025	Commodity and financial derivative assets	0	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	6,000	July 30, 2024	July 29, 2025	Commodity and financial derivative assets	119.25	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	July 31, 2024	July 30, 2025	Commodity and financial derivative assets	102.69	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary	5,000	July 31, 2024	April 29, 2025	Commodity and financial	-7.51	Full recovery of principal and	

			certificates				derivative assets		interest	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R3	Fixed income	1,000	August 02, 2024	December 11, 2025	Debt assets	20.18	Full recovery of principal and interest	
J.P. Morgan Financial LLC	Bank	R2	Structured Notes	4,994.15	August 05, 2024	August 5, 2025	Debt assets	130.15	Full recovery of principal and interest	
GF Global Capital Limited	Securities	R3	Structured Notes	2,859.16	August 13, 2024	August 13, 2027	Debt assets	237.71	Outstanding and not yet matured	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R3	Fixed income	3,900	August 23, 2024	December 11, 2025	Debt assets	81.35	Full recovery of principal and interest	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R3	Fixed income	100	August 23, 2024	December 23, 2025	Debt assets	2.06	Full recovery of principal and interest	
GF Global Capital Limited	Securities	R3	Structured notes	4,302.23	August 26, 2024	August 13, 2027	Debt assets	382.6	Outstanding and not yet matured	
J.P. Morgan Financial LLC	Bank	R2	Structured notes	4,987.43	August 27, 2024	August 26, 2025	Debt assets	109.39	Full recovery of principal and interest	
Huatai International Financial Products Limited	Securities	R3	Structured notes	14,962.29	August 27, 2024	July 28, 2025	Debt assets	3,825.07	Full recovery of principal and interest	
J.P. Morgan Financial LLC	Bank	R2	Structured notes	7,098.9	2024-09-09	2025-09-09	Debt assets	312.16	Full recovery of principal and interest	
GF Global Capital Limited	Securities	R3	Structured notes	9,965.48	2024-09-11	August 13, 2027	Debt assets	819.32	Outstanding and not yet matured	
Huatai International Financial Products Limited	Securities	R3	Structured notes	9,965.48	2024-09-11	July 28, 2025	Debt assets	91.77	Full recovery of principal and interest	
Huatai International Financial Products Limited	Securities	R3	Principal-guaranteed structured notes	4,984.98	2024-09-12	2025-08-18	Commodity and financial derivative assets	117.51	Full recovery of principal and interest	
J.P. Morgan Financial LLC	Bank	R2	Structured notes	9,969.96	2024-09-12	2025-09-12	Debt assets	371.75	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	2024-09-25	2025-02-09	Debt assets	20.13	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	2024-09-25	2025-02-09	Debt assets	20.13	Full recovery of principal and interest	
CITIC Securities AM Co., Ltd.	Securities	R2	Fixed income	5,000	2024-09-26		Debt assets	149.98	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	7,000	2024-09-26	2025-09-25	Commodity and financial derivative assets	103.65	Full recovery of principal and interest	
China Minsheng	Bank	R1	Certificates of deposit	1,000	2024-09-26	July 01, 2025	Debt assets	16.28	Full recovery of	

Banking Corp., Ltd.									principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	1,000	2024-09-26	July 01, 2025	Debt assets	16.28	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	1,000	2024-09-26	July 01, 2025	Debt assets	16.28	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	1,000	2024-09-26	July 01, 2025	Debt assets	16.28	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	1,000	2024-09-26	July 01, 2025	Debt assets	16.28	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	5,000	2024-09-26	September 23, 2025	Commodity and financial derivative assets	73.39	Full recovery of principal and interest	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	4,800	2024-11-08	2025-02-14	Commodity and financial derivative assets	17.85	Full recovery of principal and interest	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	21 November 2024	19 November 2025	Commodity and financial derivative assets	153.2	Full recovery of principal and interest	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	22 November 2024	19 November 2025	Commodity and financial derivative assets	157.94	Full recovery of principal and interest	
China Foreign Economy and Trade Trust Co., Ltd.	Trust	R4	Hybrid	6,000	27 November 2024		Others	220.2	Outstanding and not yet matured	
Bank of China Limited	Bank	R1	Structured Deposits	1,400	18 December 2024	09 June 2025	Commodity and financial derivative assets	4.47	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	1,600	18 December 2024	11 June 2025	Commodity and financial derivative assets	16.03	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	1,040	18 December 2024	11 June 2025	Commodity and financial derivative assets	10.42	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	960	18 December 2024	09 June 2025	Commodity and financial derivative assets	3.06	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	1,400	18 December 2024	09 June 2025	Commodity and financial derivative assets	4.47	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	1,600	18 December 2024	11 June 2025	Commodity and financial derivative assets	16.03	Full recovery of principal and interest	
Bank of Dongguan	Bank	R1	Structured Deposits	2,800	30 December	16 December	Commodity and	50.33	Full recovery of	

Co., Ltd.					r 2024	r 2025	financial derivative assets		principal and interest	
J.P. Morgan Financial LLC	Bank	R2	Structured notes	7,400	2025-01-03	2028-01-03	Debt assets	231.19	Outstanding and not yet matured	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R2	Fixed income	1,000	2025-01-09	2025-05-16	Debt assets	12.69	Full recovery of principal and interest	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	2025-01-09	2025-05-06	Commodity and financial derivative assets	53.21	Full recovery of principal and interest	
Ping An Bank Co., Ltd.	Bank	R2	Structured Deposits	1,800	2025-01-10	2025-04-10	Commodity and financial derivative assets	8.37	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Structured Deposits	2,200	2025-01-17	2025-04-17	Commodity and financial derivative assets	8.15	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	2,080	2025-01-17	2025-08-13	Commodity and financial derivative assets	31.98	Full recovery of principal and interest	
Bank of China Limited	Bank	R1	Structured Deposits	1,920	2025-01-17	2025-08-11	Commodity and financial derivative assets	8.59	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	February 10, 2025	February 11, 2025	Debt assets	0.46	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	February 11, 2025	2026-02-06	Debt assets	127.37	Outstanding and not yet matured	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	February 11, 2025	2025-02-12	Debt assets	0.46	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Certificates of deposit	5,000	2025-02-12	2026-02-06	Debt assets	126.96	Outstanding and not yet matured	
Bank of Ningbo Co., Ltd.	Bank	R1	Time deposits	500	2025-02-18	2025-08-18	Debt assets	3.77	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	8,000	2025-02-20	2026-02-12	Commodity and financial derivative assets	235.89	Outstanding and not yet matured	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	5,300	2025-02-20	2026-02-12	Commodity and financial derivative assets	173.66	Outstanding and not yet matured	
Ping An Bank Co., Ltd.	Bank	R2	Structured Deposits	100	2025-03-25	2025-04-08	Commodity and financial derivative assets	0.06	Full recovery of principal and interest	
China Merchants Bank Co., Ltd.	Bank	R1	Certificates of deposit	1,800	2025-04-02	2026-08-11	Debt assets	37.47	Outstanding and not yet matured	

Ping An Bank Co., Ltd.	Bank	R2	Structured Deposits	1,500	2025-04-15	2025-07-15	Commodity and financial derivative assets	6.67	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	2025-04-16	2026-04-14	Commodity and financial derivative assets	44.46	Outstanding and not yet matured	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	2025-04-16	2025-07-15	Commodity and financial derivative assets	45.18	Full recovery of principal and interest	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	2025-04-22	September 23, 2025	Commodity and financial derivative assets	42.99	Full recovery of principal and interest	
China Minsheng Banking Corp., Ltd.	Bank	R1	Structured Deposits	1,700	2025-04-22	2025-07-21	Commodity and financial derivative assets	8.62	Full recovery of principal and interest	
Founder CIFCO Futures Co., Ltd.	Securities	R3	Fixed income	5,000	April 24, 2025		Debt assets	-14.5	Outstanding and not yet matured	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	7,000	April 25, 2025	July 22, 2025	Commodity and financial derivative assets	73.27	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	May 07, 2025	April 28, 2026	Commodity and financial derivative assets	133.13	Outstanding and not yet matured	
Barclays Bank PLC	Bank	R3	Principal-guaranteed structured notes	5,000	May 13, 2025	May 17, 2028	Commodity and financial derivative assets	96.33	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	7,000	May 23, 2025	May 22, 2026	Commodity and financial derivative assets	163.92	Outstanding and not yet matured	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,500	May 23, 2025	May 21, 2026	Commodity and financial derivative assets	128.13	Outstanding and not yet matured	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	May 23, 2025	September 22, 2025	Commodity and financial derivative assets	51.76	Full recovery of principal and interest	
Ping An Bank Co., Ltd.	Bank	R1	Time deposits	3,730.79	June 17, 2025	June 17, 2026	Debt assets	72.74	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	June 23, 2025	June 17, 2026	Commodity and financial derivative assets	37.03	Outstanding and not yet matured	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	3,300	June 27, 2025	June 23, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary	6,000	July 2, 2025	June 25, 2026	Commodity and financial	14.85	Outstanding and not yet matured	

			certificates				derivative assets			
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	July 25, 2025	3, January 7, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	10,000	July 25, 2025	7, July 6, 2026	Commodity and financial derivative assets	163.87	Outstanding and not yet matured	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	6,000	July 25, 2025	7, January 7, 2026	Commodity and financial derivative assets	94.42	Outstanding and not yet matured	
Ping An Bank Co., Ltd.	Bank	R2	Structured Deposits	1,200	July 25, 2025	18, October 16, 2025	Commodity and financial derivative assets	5.72	Full recovery of principal and interest	
Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	July 23, 2025	23, July 22, 2026	Commodity and financial derivative assets	78.65	Outstanding and not yet matured	
China Minsheng Banking Corp., Ltd.	Bank	R1	Structured Deposits	1,500	July 25, 2025	25, October 24, 2025	Commodity and financial derivative assets	7.27	Full recovery of principal and interest	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	6,000	July 25, 2025	25, October 27, 2025	Commodity and financial derivative assets	45.41	Full recovery of principal and interest	
Barclays Bank PLC	Bank	R3	Principal-guaranteed structured notes	5,717.36	July 28, 2025	28, July 30, 2026	Commodity and financial derivative assets	46.13	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	July 29, 2025	29, July 23, 2026	Commodity and financial derivative assets	50.08	Outstanding and not yet matured	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	July 29, 2025	29, July 29, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R2	Fixed income	1,000	July 29, 2025	29, 19 November 2025	Debt assets	8.83	Full recovery of principal and interest	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	4,000	July 29, 2025	29, October 27, 2025	Commodity and financial derivative assets	32.1	Full recovery of principal and interest	
China Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	July 31, 2025	31, July 27, 2026	Commodity and financial derivative assets	78.06	Outstanding and not yet matured	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	6,000	July 31, 2025	31, October 27, 2025	Commodity and financial derivative assets	47.11	Full recovery of principal and interest	
Guotai Haitong Securities	Securities	R1	Principal-guaranteed beneficiary	5,000	August 1, 2025	1, July 30, 2026	Commodity and financial	83.29	Outstanding and not yet matured	

Co., Ltd.			certificates				derivative assets			
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	August 7, 2025	August 5, 2026	Commodity and financial derivative assets	36.79	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,600	August 7, 2025	September 11, 2025	Commodity and financial derivative assets	11.07	Full recovery of principal and interest	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R3	Hybrid	3,000	August 8, 2025		Debt assets	20.7	Outstanding and not yet matured	
GF Global Capital Limited	Securities	R2	Principal-guaranteed fixed-income notes	3,567.5	August 8, 2025	August 7, 2026	Debt assets	58.14	Outstanding and not yet matured	
GF Global Capital Limited	Securities	R3	Principal-guaranteed structured notes	7,135	2025-08-13	August 17, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
GF Global Capital Limited	Securities	R3	Principal-guaranteed structured notes	3,567.5	2025-08-13	August 16, 2028	Commodity and financial derivative assets	63.66	Outstanding and not yet matured	
Founder CIFCO Futures Co., Ltd.	Securities	R3	Hybrid	6,000	2025-08-13		Debt assets	71.54	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R3	Hybrid	3,000	August 15, 2025		Debt assets	9.9	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R2	Fixed income	1,000	August 15, 2025		Debt assets	3.5	Outstanding and not yet matured	
Huatai Securities (Shanghai) Asset Management Co., Ltd.	Securities	R3	Hybrid	5,000	August 15, 2025		Debt assets	106.13	Outstanding and not yet matured	
Citigroup Global Markets Funding Luxembourg S.C.A.	Bank	R3	Principal-guaranteed structured notes	5,000	September 5, 2025	September 7, 2026	Commodity and financial derivative assets	78.31	Outstanding and not yet matured	
Huatai International Financial Products Limited	Securities	R3	Structured notes	5,000	September 19, 2025	November 17, 2027	Debt assets	72.18	Outstanding and not yet matured	
Société Générale	Bank	R3	Principal-guaranteed structured notes	4,000	September 19, 2025	19 September 2028	Commodity and financial derivative assets	34.94	Outstanding and not yet matured	
Société Générale	Bank	R3	Principal-guaranteed structured notes	4,000	September 19, 2025	19 September 2029	Commodity and financial derivative assets	48.33	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,600	24 September 2025	17 December 2025	Commodity and financial derivative assets	26.57	Full recovery of principal and interest	

Guotai Haitong Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,000	26 September 2025	22 September 2026	Commodity and financial derivative assets	29.78	Outstanding and not yet matured	
Eastmoney Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	5,000	26 September 2025	23 September 2026	Commodity and financial derivative assets	40.32	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	2,000	26 September 2025	December 23, 2025	Commodity and financial derivative assets	15.47	Full recovery of principal and interest	
CITIC Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	7,000	29 September 2025	September 21, 2026	Commodity and financial derivative assets	11.98	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	3,300	29 September 2025	22 December 2025	Commodity and financial derivative assets	24.72	Full recovery of principal and interest	
Guotai Junan Financial Products Co., Ltd.	Securities	R3	Structured notes	1,777.55	06 October 2025	28 October 2026	Debt assets	20.65	Outstanding and not yet matured	
Société Générale	Bank	R3	Principal-guaranteed structured notes	1,777.55	06 October 2025	08 October 2026	Commodity and financial derivative assets	53.09	Outstanding and not yet matured	
J.P. Morgan Structured Products Co., Ltd.	Bank	R3	Structured notes	1,775.53	October 14, 2025	20 June 2027	Debt assets	19.65	Outstanding and not yet matured	
Ping An Bank Co., Ltd	Bank	R2	Structured deposit	1,000	October 24, 2025	23 January 2026	Commodity and financial derivative assets	3.08	Outstanding and not yet matured	
GF Securities Asset Management (Guangdong) Co., Ltd.	Securities	R4	Hybrid	5,000	October 31, 2025		Others	-65.5	Outstanding and not yet matured	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	6,000	October 31, 2025	28 October 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
China Minsheng Banking Corp., Ltd.	Bank	R1	Structured deposit	1,000	November 3, 2025	3 February 2026	Commodity and financial derivative assets	2.49	Outstanding and not yet matured	
CITIC Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	4,000	November 20, 2025	November 19, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
Huatai Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	6,000	November 20, 2025	November 18, 2026	Commodity and financial derivative assets	22	Outstanding and not yet matured	
CITIC Securities Co., Ltd.	Securities	R1	Principal-guaranteed beneficiary certificates	2,000	November 24, 2025	November 23, 2026	Commodity and financial derivative assets	2.42	Outstanding and not yet matured	
China Securities	Securities	R1	Principal-guaranteed	3,000	November 25,	November 24,	Commodity and	18.71	Outstanding and not yet	

Co., Ltd.			beneficiary certificates		2025	2026	financial derivative assets		matured	
CITIC Securities AM Co., Ltd.	Securities	R4	Hybrid	4,000	December 24, 2025		Others	0.8	Outstanding and not yet matured	
GF Securities Co., Ltd.	Securities	R2	Principal-guaranteed beneficiary certificates	3,000	December 25, 2025	December 22, 2026	Commodity and financial derivative assets	0	Outstanding and not yet matured	
China Securities Co., Ltd.	Securities	R3	Hybrid	2,000	December 29, 2025		Debt assets	0	Outstanding and not yet matured	
Total				812,208.01				16,858.21		

**(2) Entrusted loans**

Applicable Not applicable

There were no entrusted loans during the Reporting Period.

**4. Other contracts of significance**

Applicable Not applicable

There were no other contracts of significance during the Reporting Period.

**XVI. Use of Raised Funds**

Applicable Not applicable

**(1) Overall use of proceeds**

Applicable Not applicable

Unit: RMB'000

Year of fundraising	Fundraising method	Listing dates of securities	Total proceeds	Net proceeds (1)	Total proceeds used during the period	Cumulative proceeds used (2)	Percentage of proceeds used at period end (3) = (2) / (1)	Total proceeds with intended use changed during the period	Cumulative proceeds with intended use changed	Percentage of cumulative proceeds with intended use changed	Unused proceeds	Use and destination of unused proceeds	Proceeds idle for over two years
2021	Public offering	December 15, 2021	467,636.88	444,380.28	2,680.89	310,386.94	69.85%	0	0	0.00%	133,993.34	Invest in intended projects and replenish working capital	0
Total	--	--	467,636.88	444,380.28	2,680.89	310,386.94	69.85%	0	0	0.00%	133,993.34	--	0

## Explanation of the overall use of the proceeds

## 1. Actual amount of proceeds and receipt date

In accordance with the CSRC's *Approval on Agreeing the Registration of DR Corporation Limited for Initial Public Offering of Shares* (Zheng Jian Xu Ke No. [2021] 3043) and the SZSE's approval, DRCO conducted an initial public offering of 40,010,000 ordinary shares (A shares) with a nominal value of RMB 1.00 and an issue price of RMB 116.88 per share, raising proceeds of RMB 4,676.37 million. The sponsorship and underwriting fees (excluding VAT) for the IPO were RMB 217.34 million. On December 10, 2021, the total proceeds of RMB 4,460.73 million after deducting the underwriting fees (excluding VAT) of RMB 215,643,500 were remitted by the underwriter China Securities to DRCO's special account for proceeds.

The total proceeds raised by DRCO via the IPO were RMB 4,676.37 million, and the net proceeds were RMB 4,443.80 million after deducting sponsorship and underwriting fees (excluding VAT) of RMB 217.34 million, and other issuance fees (excluding VAT) of RMB 15.22 million (including: audit and capital verification fees of RMB 4.47 million, legal counsel fees of RMB 5.42 million, information disclosure fees of RMB 4.02 million, issuance fees and other fees of RMB 1.31 million). The additional registered capital replenished by the IPO has been verified by Ernst & Young Hua Ming LLP (Special General Partnership) that issued a *Capital Verification Report* (Ernst & Young Hua Ming (2021) Yan Zi No. 61403707\_H01).

## 2. Amount used in the current year and year-end balance

As of December 31, 2025, the Company had cumulatively used RMB 3,103.87 million of the proceeds, including RMB 1,236.86 million invested in committed projects and RMB 1,840.00 million permanently used to replenish working capital.

As of December 31, 2025, the balance of idle proceeds (including surplus proceeds) used for cash management amounted to RMB 1,461.00 million.

As of December 31, 2024, the balance in the Company's dedicated proceeds account and settlement account totaled RMB 70.18 million (including interest income and investment gains after deducting service charges).

## 2. Committed projects funded by the proceeds

Applicable Not applicable

Unit: RMB'000

Financing project name	List ing date s of securities	Committed investment projects and investment areas of surplus proceeds	Project nature	Whether the project has been changed (including partial changes)	Total committed investment amount from proceeds	Adjusted total investment amount (1)	Amount invested during the Reporting Period	Cumulative investment amount as of the end of the period (2)	Investment progress as of the end of the period (3) = (2)/(1)	Date when the project reached the intended usable state	Benefits realized during the Reporting Period	Cumulative benefits realized as of the end of the Reporting Period	Whether the expected benefits were realized	Whether there were significant changes in project feasibility
Committed investment projects														
Channel network construction	December 15,	Channel network construction	Operation	No	73,921.4	73,921.4	0	73,921.4	100.00%	December 31, 2023	555.61	12,129.35	No	No

project	2021	project	agement											
Information system construction project	December 15, 2021	Information system construction project	R&D project	No	11,047.45	11,047.45	1,585.14	9,965.45	90.21%	December 31, 2027			Not applicable	No
Diamond jewelry R&D and creative design center construction project	December 15, 2021	Diamond jewelry R&D and creative design center construction project	R&D project	No	5,389.93	5,389.93	1,095.75	4,452.64	82.61%	December 31, 2027			Not applicable	No
Supplementary working capital project (Note)	December 15, 2021	Supplementary working capital project (Note)	Replenish working capital	No	38,000	38,000		38,047.45	100.12%				Not applicable	No
Subtotal of committed investment projects				--	128,358.78	128,358.78	2,680.89	126,386.94	--	--	555.61	12,129.35	--	--
Investment areas of surplus proceeds														
Undetermined use of surplus proceeds	December 15, 2021	Undetermined use of surplus proceeds		No	132,021.5	132,021.5	0	0					Not applicable	No
Replenishment of working capital (if any)				--	184,000	184,000	0	184,000	100.00%	--	--	--	--	--
Subtotal of investment areas of surplus proceeds				--	316,021.5	316,021.5	0	184,000	--	--			--	--
Total				--	444,380.28	444,380.28	2,680.89	310,386.94	--	--	555.61	12,129.35	--	--
Describe the circumstances and reasons why the planned progress and expected benefits have not been realized by project (including the reason for "not applicable concerning whether the expected benefits were realized")	<p>1. Channel network construction project: As of June 30, 2023, the project was 100% completed, with cumulative benefits totaling RMB 280,996,700 (average annual net profit of RMB 96,341,700), achieving the expected benefits. As of December 31, 2025, the project has achieved a cumulative profit of RMB 121,293,500 (with an average annual net profit of RMB 22,392,600), but its cumulative performance has not yet met original expectations, mainly due to industry cyclical adjustments and market demand, resulting in project store sales falling short of expectations. However, it achieved a profit of RMB 5,556,100 during this Reporting Period—an increase of RMB 83,364,800 compared to the same period last year. This growth is primarily attributable to the gradual realization of benefits from earlier channel optimization and refined store operations, resulting in an overall improvement in operational quality.</p> <p>2. Information system construction project: on April 26, 2023, DRCO convened the fifth meeting of the second session of the Board of Directors and the fifth meeting of the second session of the Board of Supervisors at which the <i>Proposal on Postponing Certain Proceeds-funded Projects</i> was reviewed, and DRCO was approved to extend the date when the project reached the intended usable state from December 31, 2023 to December 31, 2024, without changing the implementation entity, the implementation method, the intended use of proceeds and the investment amount. Factors such as the market environment, business expansion and stricter corporate governance requirements have raised the standards for the information system construction. As a result, DRCO needs to conduct adequate surveys and discussions before implementing the information system construction project, so as to facilitate improvements in sales performance or operational efficiency. In order to better manage the project progress, on April 25, 2024, DRCO convened the ninth meeting of the second session of the Board of Directors and the ninth meeting of the second session of the Board of Supervisors, at which the Proposal on Postponing Certain Proceeds-funded Projects was reviewed and DRCO was approved to extend the completion date of the proceeds-funded project from December 31, 2024 to December 31, 2026 so as to maximize the value and effectiveness of the use of proceeds. At present, in light of the current market environment, the rapid iteration of information technology, and the Company's business development needs, higher demands have been put forward for the construction of information systems. The company requires that before the implementation of information system construction projects, thorough and rigorous research and discussion should be conducted to ensure that the continuous construction of the project can contribute to the growth of the Company's sales performance or the improvement of management and operation efficiency. Moreover, in order to reasonably control the advancement pace of the project, after careful research and decision by the Company, on April 24, 2025, the Company held the 13th meeting of the second board of directors and the 13th meeting of the second board of Supervisors, and deliberated and passed the <i>Proposal on the Extension of the Raised Funds Investment Project</i>. It is agreed to extend the date when the project reaches the predetermined usable state from December 31, 2026 to December 31, 2027, in</p>													

	<p>order to better leverage the role of the raised funds and enhance the effectiveness of their use.</p> <p>3. R&amp;D, Creativity and Design Center for Diamond Jewelleries: To better meet market demand and support its strategic development, the Company made further plans for the project construction, which resulted in slower- than-expected project progress. On April 26, 2023, DRCO convened the fifth meeting of the second session of the Board of Directors and the fifth meeting of the second session of the Board of Supervisors, at which the <i>Proposal on Postponing Certain Proceeds-funded Projects</i> was reviewed, and DRCO was approved to extend the completion date of the proceeds-funded project from December 31, 2023 to December 31, 2025, without changing the implementation entity, the implementation method, the intended use of proceeds and the investment amount. Due to the objective factors such as the project itself not having a profit-making nature and the intensified structural differentiation in the jewelry industry in recent years, the Company prudently carried out the construction of the R&amp;D and creative design center, resulting in the project construction progress not meeting expectations. Based on the actual situation of the fundraising and investment projects, after careful study, the Company held the 13th meeting of the second board of directors and the 13th meeting of the second board of Supervisors on April 24, 2025, and deliberated and passed the <i>Proposal on the Extension of the Fundraising and Investment Projects</i>. Agree to extend the date when the project reaches the predetermined usable state from December 31, 2025 to December 31, 2027.</p>
Explanation of significant changes in project feasibility	Not applicable
Amount, use and progress of use of surplus proceeds	<p>Applicable</p> <p>1. On December 30, 2021, DRCO held the 14th meeting of the first session of the Board of Directors and the sixth meeting of the first session of the Board of Supervisors, and on January 18, 2022, DRCO held the first Extraordinary General Meeting of 2022, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 3,500,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 4,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>On December 29, 2022, DRCO held the fourth meeting of the second session of the Board of Directors and the fourth meeting of the second session of the Board of Supervisors, and on January 17, 2023, DRCO held the first Extraordinary General Meeting of 2023, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 3,000,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 6,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>On December 28, 2023, the Company held the eighth meeting of the second session of the Board of Directors and the eighth Meeting of the second Session of the Board of Supervisors, and on January 16, 2024, the Company held the first Extraordinary General Meeting of 2024, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,800,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 6,000,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>On December 26, 2024, the Company held the 12th meeting of the second session of the Board of Directors and the 12th Meeting of the second Session of the Board of Supervisors, and on January 14, 2025, the Company held the first Extraordinary General Meeting of 2025, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,650,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 5,500,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>On December 24, 2025, the Company held the 17th meeting of the second session of the Board of Directors and the first Extraordinary General Meeting of 2026, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,650,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 5,500,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>Following the above deliberation and approval, the Company strictly controls risks in accordance with relevant regulations, and invests in highly safe and liquid financial products issued by commercial banks, securities firms, or other financial institutions, with a term not exceeding 12 months. As of December 31, 2025, the balance of over-raised funds used for cash management amounted to RMB 1,441,000,000.</p> <p>2. On April 20, 2022, DRCO held the 15th meeting of the first session of the Board of Directors and the seventh meeting of the first session of the Board of Supervisors, which considered and approved the <i>Proposal on Using Part of the Surplus Proceeds to Permanently Replenish Working Capital</i>, and agreed that DRCO may use RMB 940,000,000 of surplus proceeds to permanently replenish the working capital, representing 29.74% of the total surplus proceeds. This proposal was deliberated and approved at the general meeting of shareholders on May 20, 2022. On April 26, 2023, DRCO held the fifth meeting of the second session of the Board of Directors and the fifth Meeting of the second session of the Board of Supervisors, which considered and approved the <i>Proposal on Using Part of the Surplus Proceeds to Permanently Replenish Working Capital</i>, and agreed that DRCO may use RMB 900,000,000 of surplus proceeds to permanently replenish the working capital, representing 28.48% of the total surplus proceeds. This proposal was deliberated and approved at the general meeting of shareholders on May 26, 2023. As of December 31, 2025, DRCO had transferred RMB 1,840,000,000.00 from its dedicated proceeds account to permanently supplement the working capital.</p>
Unauthorized changes to the use of proceeds and non-compliant misappropriation of proceeds	Not applicable

Changes in the implementation location of proceeds-funded projects	Not applicable
Adjustment of the implementation method of proceeds-funded projects	Not applicable
Early investment and replacement of proceeds-funded projects	<p>Applicable</p> <p>On April 20, 2022, DRCO held the 15th meeting of the first session of the Board of Directors and the seventh meeting of the first session of the Board of Supervisors, which considered and approved the <i>Proposal on the Replacement of Self-raised Funds Invested in Advance and Paid for Issuance Expenses with Proceeds</i>, and agreed that DRCO may use the proceeds to replace the self-raised funds of RMB 370,182,808.63 invested in advance and funds of RMB 5,454,988.26 paid for issuance expenses, which totaled RMB 375,637,796.89. Ernst &amp; Young Hua Ming (Special General Partnership) issued the Capital Verification Report on DR Corporation Limited's Investments in Intended Projects with Self-owned Funds (Ernst &amp; Young Hua Ming (2022) Zhuan Zi No. 61403707_H01). Before May 10, 2022, DRCO successively transferred a total of RMB 366,804,385.32 from its dedicated proceeds account for the replacement purpose, including RMB 361,349,397.06 for the investments in advance and RMB 5,454,988.26 for issuance expenses. (When calculating the actual net proceeds of the fundraising, this amount has been deducted as issuance expenses.) The remaining portion that has not been replaced in a timely manner will continue to be used for future fundraising purposes.</p> <p>During the Reporting Period, the Company used its own funds to pay part of the funds for the proceeds-funded projects and replaced them with RMB 22,241,444.29 in equivalent amount from the raised funds.</p>
Use idle proceeds to temporarily replenish working capital	Not applicable
The amount and reasons for the balance of proceeds after project implementation	<p>Applicable</p> <p>1. The remaining proceeds for the "Supplementary Working Capital Project" amounted to RMB 553,564.16, and that for the "Channel Network Construction Project" amounted to RMB 16,159,899.37.</p> <p>2. During the implementation of the proceeds-funded projects, the Company strictly adhered to the relevant regulations on the use of proceeds and prudently utilized them. While ensuring that the implementation of the proceeds-funded projects was not affected and that the proceeds were secure, the Company engaged in cash management of idle proceeds to improve the efficiency of their utilization. This resulted in certain investment returns and interest income generated during the period of deposit.</p>
Use and destination of unused proceeds	<p>1. On December 26, 2024, the Company held the 12th meeting of the second session of the Board of Directors and the 12th Meeting of the second Session of the Board of Supervisors, and on January 14, 2025, the Company held the first Extraordinary General Meeting of 2025, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,650,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 5,500,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term.</p> <p>2. On December 24, 2025, the Company held the 17th meeting of the second session of the Board of Directors and the first Extraordinary General Meeting of 2026, reviewing and approving the <i>Proposal on Cash Management for Part of Idle Proceeds and Self-owned Funds</i>. DRCO was approved to use not more than RMB 1,650,000,000 of idle proceeds (including surplus proceeds) and not more than RMB 5,500,000,000 of its own funds for cash management for a period of 12 months from the date of review and approval. Such funds can be used on a revolving basis within the aforesaid amount and term. In 2025, the wealth management income amounted to RMB 36,736,547.52. As of December 31, 2025, the balance of idle fundraising funds invested in wealth management products not yet matured was RMB 1,461,000,000.00, of which the balance of over-raised funds was RMB 1,441,000,000.00, and the balance of committed project investment funds was RMB 20,000,000.00.</p>
Problems or other circumstances in the use and disclosure of proceeds	<p>1. On August 12, 2025, an amount of RMB 92,093.71 was deducted by the court from the Company's dedicated account for raised funds (Account No.: 15906520131496) because of Contract dispute litigation.</p> <p>2. On August 29, 2025, the Company transferred RMB 92,093.71 back into the aforementioned dedicated account for over-raised funds from its own capital account, which ensured that the balance of the dedicated account was restored to its pre-deduction state, without any material impact on the normal progress of the Company's proceeds-funded projects.</p>

### 3. Changes in projects funded by proceeds

Applicable Not applicable

### 4. Verification opinions from intermediary institutions regarding the deposit and use of proceeds

Applicable Not applicable

Upon verification, China Securities Co., Ltd., the sponsor believes that DR Corporation Limited has used

the raised funds in compliance with regulations and has effectively implemented the fundraising supervision agreement. As of December 31, 2025, the specific use of the raised funds by the Company is consistent with the disclosed information, meets the relevant regulatory requirements, and the corresponding decision-making procedures have been duly followed. The sponsor has no objection to the deposit, management, and use of the raised funds by the Company in 2025.

Deloitte Touche Tohmatsu Certified Public Accountants LLP confirms that the report on the deposit, management and actual use of the raised funds of DR Corporation Limited has been prepared in accordance with the Rules for the Supervision of Raised Funds of Listed Companies issued by the China Securities Regulatory Commission and the Guidelines for Self-Regulation of Listed Companies No. 2--Standardized Operations of Companies Listed on the ChiNext of the Shenzhen Stock Exchange. In all material respects, it truthfully reflects the deposit, management, and actual use of the raised funds of the Company as of December 31, 2025.

There were no changes to the Company's proceeds- funded projects during the Reporting Period.

#### **XVII. Other Important Matters**

Applicable Not applicable

There were no other significant matters that need to be explained during the Reporting Period.

#### **XVIII. Significant Matters of DRCO's Subsidiaries**

Applicable Not applicable

## Part VI. Changes in Shares and Information of Shareholders

### I. Changes in Shares

#### 1. Changes in shares

Unit: shares

	Before this change		Increase/decrease (+, -)					After this change	
	Quantity	Percentage	Issue of new shares	Bonus shares	Conversion of reserves	Other	Subtotal	Quantity	Percentage
I. Shares subject to selling restrictions	360,000,000	90.00%	264,550			-359,999,325	-359,734,775	265,225	0.07%
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic entities	360,000,000	90.00%	264,550			-359,999,325	-359,734,775	265,225	0.07%
Including: shares held by domestic legal persons	360,000,000	90.00%				-360,000,000	-360,000,000		
Shares held by domestic natural persons			264,550			675	265,225	265,225	0.07%
4. Shares held by foreign investors									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Shares not subject to selling restrictions	40,010,000	10.00%				359,999,325	359,999,325	400,009,325	99.93%

1. RMB-denominated ordinary shares	40,010,000	10.00%				359,999,325	359,999,325	400,009,325	99.93%
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
4. Others									
III. Total shares	400,010,000	100.00%	264,550			0	264,550	400,274,550	100.00%

Reasons for changes in shares.

Applicable Not applicable

(1) During the Reporting Period, DRCO completed the grant and registration of the Class I Restricted Shares under the 2025 Restricted Share Incentive Plan. The number of Class I Restricted Shares granted and registered was 264,550 shares, with the grant date being August 28, 2025, and the listing date being September 19, 2025.

(2) The lock-up period for the shares issued by DRCO prior to its initial public offering commenced on December 15, 2021, with a lock-up period of 42 months. The release date for trading was June 17, 2025. There were 4 shareholders and 360,000,000 shares released from lock-up restrictions.

(3) Additional 675 shares locked by executive due to his departure.

Approval of changes in shares

Applicable Not applicable

On July 10, 2025, DRCO held the 14th meeting of the second session of the Board of Directors, and on July 30, 2025, held the Second Extraordinary General Meeting of Shareholders for 2025, at which the "Proposal on DRCO's '2025 Restricted Share Incentive Plan (Draft)' and its Summary" and other matters were reviewed and approved.

On August 26 and August 27, 2025, DRCO held the 4th meeting of the Remuneration and Appraisal Committee of the second session of the Board of Directors and the 15th meeting of the second session of the Board of Directors, respectively. At these meetings, the "Proposal on Adjusting Matters Relating to the 2025 Restricted Share Incentive Plan" and the "Proposal on Granting Restricted Shares for the First Time to Incentive Recipients under the 2025 Restricted Share Incentive Plan" were reviewed and approved. The Remuneration and Appraisal Committee of the Board of Directors verified the list of incentive recipients for the first grant of restricted shares under the Incentive Plan and issued an opinion on whether the conditions for granting equity interests to the incentive targets had been satisfied. The law firm issued a corresponding report. Pursuant to the authorization granted by DRCO's Second Extraordinary General Meeting of Shareholders for 2025, the Board of Directors adjusted the list of initial grantees and the quantity of share-based payments under the Incentive Plan. With August 28, 2025 as the initial grant date, a total of 716,000 restricted shares were initially granted to 26 eligible grantees. Specifically, 264,600 Class I Restricted Shares were initially granted to 2 of the grantees, and 451,400 Class II Restricted Shares were initially granted to 25 of the grantees. The grant price was RMB 15.12 per share. The listing date of the 264,600 Class I Restricted Shares was September 19, 2025.

## Transfer of changes in shares

Applicable Not applicable

During the Reporting Period, the registration procedures for the grant of Class I Restricted Shares under the Company's 2025 Restricted Share Incentive Plan have been completed through the China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

Impact of changes in shares on financial indicators such as basic and diluted earnings per share and net asset value per share attributable to DRCO's holders of ordinary shares for the most recent year and the most recent period

Applicable Not applicable

During the Reporting Period, DRCO's total share capital increased from 400,010,000 shares to 400,274,550 shares, resulting in a corresponding dilution of earnings per share and net assets per share. For relevant data, please refer to "V. Key Accounting Data and Financial Indicators" under "Part II: Company Profile and Key Financial Indicators" in this report.

Other disclosure deemed necessary by DRCO or required by securities regulatory authorities.

Applicable Not applicable

## 2. Changes in restricted shares

Applicable Not applicable

Unit: shares

Name of shareholder	Number of restricted shares at the beginning of period	Increase in the number of restricted shares during the period	Number of restricted shares released during the period	Number of restricted shares at the end of period	Reasons for selling restrictions	Date of release
DR Investment (Zhuhai) Co., Ltd.	342,000,000		342,000,000	0	Pre-IPO restricted shares	June 17, 2025
Gongqingcheng Wendy No. 1 Investment Management Partnership (LP)	7,200,000		7,200,000	0	Pre-IPO restricted shares	June 17, 2025
Gongqingcheng Wendy No. 2 Investment Management Partnership (LP)	7,200,000		7,200,000	0	Pre-IPO restricted shares	June 17, 2025
Gongqingcheng Wendy No. 3 Investment Management Partnership (LP)	3,600,000		3,600,000	0	Pre-IPO restricted shares	June 17, 2025
Niu Bo	0	132,275	0	132,275	Equity incentive restricted shares	From the date of completion of the grant and registration, for 12 months, 24 months, 36 months, and 48 months. After the expiration of the lock-up period, DRCO will handle the lifting of the restricted sale for the incentive recipients who meet the conditions for lifting

						the restricted sale. DRCO shall repurchase and cancel the Class I Restricted Shares held by those incentive recipients who have not met the conditions for the release of restrictions.
He Lei	0	132,275	0	132,275	Equity incentive restricted shares	From the date of completion of the grant and registration, for 12 months, 24 months, 36 months, and 48 months. After the expiration of the lock-up period, DRCO will handle the lifting of the restricted sale for the incentive recipients who meet the conditions for lifting the restricted sale. DRCO shall repurchase and cancel the Class I Restricted Shares held by those incentive recipients who have not met the conditions for the release of restrictions.
Yin Luwen	0	675	0	675.00	Shares locked by executive	As of the end of the Reporting Period, Mr. Yin Luwen has been resigned for more than six months. Pursuant to relevant regulations, during his tenure as confirmed upon appointment and within six months after the expiration of tenure, the number of shares transferred annually shall not exceed 25% of the total shares held in DRCO.
Total	360,000,000	265,225	360,000,000	265,225	--	--

## II. Issuance and Listing of Securities

### 1. Issuance of securities (excluding preferred shares) during the Reporting Period

Applicable Not applicable

Names of equity and their derivative securities	Date of issue	Offering price (or interest rate)	Number of shares issued	Date of listing	Aggregate number of share permitted to be traded	Last trading date	Disclosure index	Date of disclosure
Equity								
A-share ordinary shares of DRCO	August 28, 2025	RMB 15.12 per share	264,550	September 19, 2025	264,550		For details, please refer to the "Announcement on the Completion of the Initial grant and registration of Class I Restricted Shares under the 2025 Restricted Share Incentive Plan" (Announcement No.: 2025-054) disclosed on Cninfo (www.cninfo.com.cn)	September 17, 2025
Convertible corporate bonds, detachable convertible corporate bonds & corporate bonds								
Other derivative securities								

#### Description of issuance of securities (excluding preferred shares) during the Reporting Period

On July 10, 2025, DRCO held the 14th meeting of the second session of the Board of Directors, and on July 30, 2025, it held the Second Extraordinary General Meeting of Shareholders for 2025, at which the "Proposal on DRCO's '2025 Restricted Share Incentive Plan (Draft)' and its Summary" and other matters were reviewed and approved. On August 26 and August 27, 2025, DRCO held the 4th meeting of the Remuneration and Appraisal Committee of the second session of Board of Directors and the 15th meeting of the second session of Board of Directors, respectively, at which the "Proposal on Adjusting Matters Relating to the 2025 Restricted Share Incentive Plan" and the "Proposal on Granting Restricted Shares for the First Time to Incentive Recipients under the 2025 Restricted Share Incentive Plan" were reviewed and approved. The Remuneration and Appraisal Committee of the Board of Directors verified the list of incentive recipients for the first grant of restricted shares under the Incentive Plan and issued an opinion on whether the conditions for granting equity interests to the incentive targets have been satisfied. The law firm issued a corresponding report. Pursuant to the authorization granted by DRCO's Second Extraordinary General Meeting of Shareholders for 2025, the Board of Directors adjusted the list of initial grantees and the quantity of share-based payments under this Incentive Plan. On September 17, 2025, DRCO disclosed the "Announcement on the Completion of the Initial grant and registration of Class I Restricted Shares under the 2025 Restricted Share Incentive Plan" (Announcement No.: 2025-054). DRCO had completed the initial grant and registration of the Class I Restricted Shares under the 2025 Restricted Share Incentive Plan. The number of Class I Restricted Shares initially granted was 264,550 shares, granted to 2 grantees at a grant price of RMB 15.12 per share. The grant date for such shares was August 28, 2025, and the listing date was September 19, 2025.

#### 2. Changes in the total number of shares and shareholder structure of DRCO, and changes in the asset and liability structure of DRCO

Applicable Not applicable

During the Reporting Period, DRCO completed the initial grant and registration of the Class I Restricted Shares under the 2025 Restricted Share Incentive Plan. The number of Class I Restricted Shares granted

and registered was 264,550 shares, and DRCO's total share capital increased by 264,550 shares, changing from 400,010,000 shares to 400,274,550 shares. For details of the specific changes, please refer to "I. Changes in Shares" in "Part VII. Changes in Shares and Information of Shareholders" of this report. For details of the changes in DRCO's assets and liabilities structure, please refer to the relevant parts of "Part VIII. Financial Reports" of this report.

### 3. Employee stock ownership

Applicable Not applicable

## III. Shareholders and Actual Controllers

### 1. Number of shareholders and their shareholdings

Total number of ordinary shareholders at the end of the Reporting Period	11,635	Total number of holders of ordinary shares as of the end of the previous month before the disclosure date of the annual report annual report	12,778	Total number of holders of preferred shares (if any) whose voting rights were restored at the end of the Reporting Period (see Note 9)	0	Total number of holders of preferred shares (if any) whose voting rights were restored at the end of the previous month prior to the disclosure date of the annual report (see Note 9)	0	Total number of shareholders holding special voting shares (if any)	0
Shareholders holding more than 5% of DRCO's shares or top 10 shareholders (excluding shares borrowed via margin financing)									
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the Reporting Period	Increase or decrease during the Reporting Period	Number of shares held subject to selling restrictions	Number of shares held not subject to selling restrictions	Pledged, marked or frozen		Quantity
DR Investment (Zhuhai) Co., Ltd.	Domestic non-state-owned legal person	85.44%	342,000,000	0	0	342,000,000	Not applicable		0
Gongqingcheng Wendy No. 1 Investment Management Partnership (LP)	Domestic non-state-owned legal person	1.80%	7,200,000	0	0	7,200,000	Not applicable		0
Gongqingcheng Wendy No. 2 Investment Management Partnership (LP)	Domestic non-state-owned legal person	1.80%	7,200,000	0	0	7,200,000	Not applicable		0
Gongqingcheng Wendy No. 3 Investment Management Partnership (LP)	Domestic non-state-owned legal person	0.90%	3,600,000	0	0	3,600,000	Not applicable		0
Zhuhai Runxin	State-owned	0.64%	2,566,735	0	0	2,566,735	Not applicable		0

Zhirong No. 1 Investment Partnership (LP)	legal person							
Li Rongjun	Domestic natural persons	0.48%	1,916,500	736,100	0	1,916,500	Not applicable	0
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.20%	818,389	-1,387,448	0	818,389	Not applicable	0
Liu Zicheng	Domestic natural persons	0.15%	584,360	218,900	0	584,360	Not applicable	0
Chen Xuemei	Domestic natural persons	0.14%	544,800	544,800	0	544,800	Not applicable	0
China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan	Other	0.12%	465,644	-86,400	0	465,644	Not applicable	0
Any strategic investor or general legal person becomes one of top 10 shareholder as a result of the placement of new shares (if any) (see Note 4)	Zhuhai Runxin Zhirong No. 1 Investment Partnership (LP) has become one of DRCO's top 10 shareholders as DRCO placed 2,566,735 shares that were locked up from December 15, 2021 to December 14, 2022. These shares were released and traded on the market from December 15, 2022. China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan is a special asset management plan through which DRCO's senior management and core employees took part in the strategic allotment of DRCO's initial public offering. As a result, this asset management plan became one of DRCO's top 10 shareholders after DRCO placed 978,952 shares that were locked up from December 15, 2021 to December 14, 2022. These shares were released and traded on the market from December 15, 2022.							
Relationship or acting in concert among the aforesaid shareholders	Zhang Guotao and Lu Yiwen, the actual controllers of DRCO, hold a 100% stake in DR Investment (Zhuhai). DR Investment (Zhuhai), Gongqingcheng Wendi No. 1 Investment Management Partnership (LP), Gongqingcheng Wendi No. 2 Investment Management Partnership (LP) and Gongqingcheng Wendi No. 3 Investment Management Partnership (LP) are all the enterprises controlled by Zhang Guotao, DRCO's actual controller. Other than that, DRCO is not aware of any connected relationship among the aforesaid shareholders, nor is DRCO aware of any parties acting in concert.							
Whether the above-mentioned shareholders exercise voting rights via a proxy or as a proxy, or waive their voting rights	Not applicable							
Whether top 10 shareholders have special accounts for share repurchase (if any) (see Note 10)	Not applicable							
Shareholdings of the top 10 shareholders of unrestricted shares (excluding shares borrowed via financing margin and shares locked by executives)								
Name of shareholder	Number of unrestricted shares held at the end of the Reporting Period	Type of shares						
		Type of shares	Quantity					
DR Investment (Zhuhai) Co., Ltd.	342,000,000	RMB-denominated ordinary shares	342,000,000					
Gongqingcheng Wendi No. 1 Investment Management Partnership (LP)	7,200,000	RMB-denominated ordinary shares	7,200,000					
Gongqingcheng Wendi No. 2 Investment Management Partnership (LP)	7,200,000	RMB-denominated ordinary shares	7,200,000					
Gongqingcheng Wendi No. 3 Investment	3,600,000	RMB-denominated ordinary shares	3,600,000					

Management Partnership (LP)			
Zhuhai Runxin Zhirong No. 1 Investment Partnership (LP)	2,566,735	RMB-denominated ordinary shares	2,566,735
Li Rongjun	1,916,500	RMB-denominated ordinary shares	1,916,500
Hong Kong Securities Clearing Company Ltd.	818,389	RMB-denominated ordinary shares	818,389
Liu Zicheng	584,360	RMB-denominated ordinary shares	584,360
Chen Xuemei	544,800	RMB-denominated ordinary shares	544,800
China Securities - CMB - China Securities DR No. 1 Strategic Placement Collective Asset Management Plan	465,644	RMB-denominated ordinary shares	465,644
Relationship or acting in concert among the top 10 shareholders of unrestricted tradable shares, and between the top 10 shareholders of unrestricted tradable shares and the top 10 shareholders	Zhang Guotao and Lu Yiwen, the actual controllers of DRCO, hold a 100% stake in DR Investment (Zhuhai). DR Investment (Zhuhai), Gongqingcheng Wendi No. 1 Investment Management Partnership (LP), Gongqingcheng Wendi No. 2 Investment Management Partnership (LP) and Gongqingcheng Wendi No. 3 Investment Management Partnership (LP) are all the enterprises controlled by Zhang Guotao, DRCO's actual controller. Other than that, DRCO is not aware of any connected relationship among the aforesaid shareholders, nor is DRCO aware of any parties acting in concert.		
Description of shareholders involved in margin financing and securities lending (if any) (see Note 5)	Not applicable.		

Unit: shares

Share lending through margin financing among shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders of unrestricted outstanding shares

Applicable Not applicable

Changes in top 10 shareholders and top 10 shareholders of unrestricted outstanding shares due to shares lent/returned via margin financing

Applicable Not applicable

Whether DRCO has a weighted voting right arrangement

Applicable Not applicable

Whether DRCO's top 10 holders of ordinary shares and top 10 holders of unrestricted ordinary shares engaged in any repurchase agreement-based transaction during the Reporting Period

Yes No

DRCO's top 10 holders of ordinary shares and top 10 holders of unrestricted ordinary shares did not engage in any repurchase agreement-based transaction during the Reporting Period.

## 2. Controlling shareholders of DRCO

Nature of controlling shareholder: natural person

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative/person in charge of the entity	Date of establishment	Organization code	Main business
DR Investment (Zhuhai) Co., Ltd.	Zhang Guotao	November 24, 2015	914403003587652274	General items: investment activities with own funds; business management consulting; information consulting services (excluding licensing information consulting services); marketing planning; corporate image planning; non-residential real estate leasing.
Shareholdings of other domestic and foreign listed companies controlled and participated in by the controlling shareholders during the Reporting Period	Not applicable			

Changes in the controlling shareholder during the Reporting Period

Applicable Not applicable

Here was no change in the controlling shareholder of DRCO during the Reporting Period.

### 3. DRCO's actual controller and its parties acting in concert

Nature of actual controller: Domestic natural persons

Type of actual controller: natural person

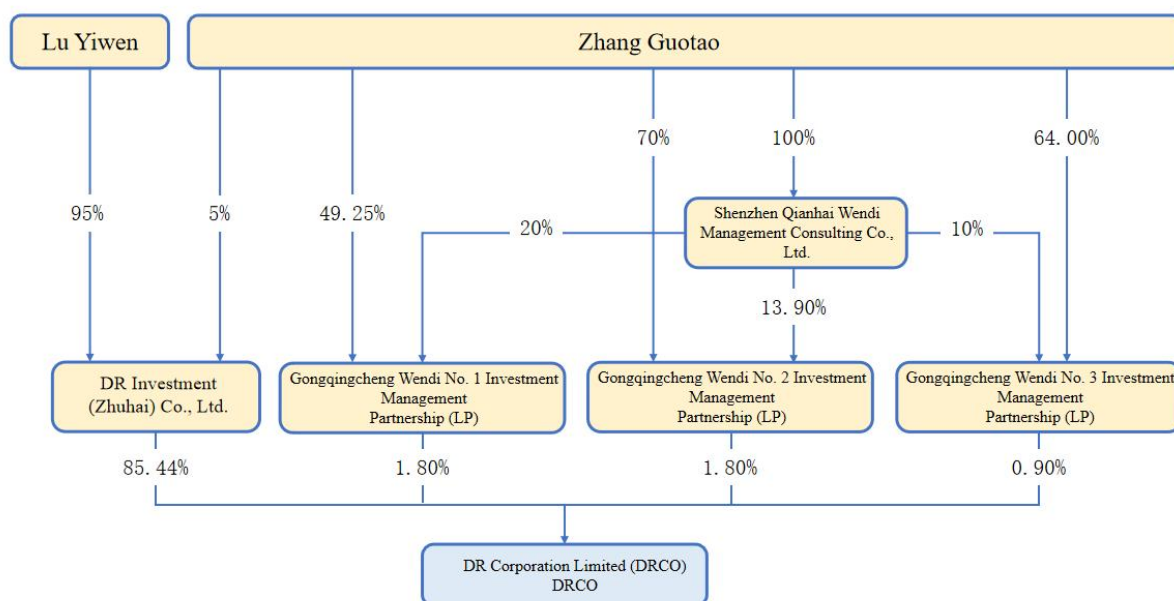
Name of actual controller	Relationship with actual controller	Nationality	Whether possess the right of abode in other countries or regions
Zhang Guotao	Himself	China	No
Lu Yiwen	Herself	China	No
Main occupation and position	Zhang Guotao is the chairman of DRCO, and Lu Yiwen is a director and the general manager (president) of DRCO.		
Domestic and foreign listed companies held during the past 10 years	Not applicable		

Change in actual controllers during the Reporting Period

Applicable Not applicable

There was no change in the actual controller of DRCO during the Reporting Period.

Ownership and controlling relationship between DRCO and controlling shareholder



Note: The above figure shows the controlling relationship as of December 31, 2025.

The actual controller controls DRCO through trust or other asset management

Applicable Not applicable

**4. The cumulative shares pledged by the controlling shareholder or the largest shareholder of DRCO and its parties acting in concert accounts for 80% of the shareholdings they hold in DRCO**

Applicable Not applicable

**5. Other legal-person shareholders holding more than 10% of DRCO's shares**

Applicable Not applicable

**6. Reduction of restricted shares by controlling shareholders, actual controllers, restructuring parties and other commitment entities**

Applicable Not applicable

#### IV. Implementation of Share Repurchase during the Reporting Period

Progress of the share repurchases

Applicable Not applicable

Progress of the reduction of share repurchased shares by means of call auction trading

Applicable Not applicable

#### V. Information about Preferred Shares

Applicable Not applicable

There were no preferred shares during the Reporting Period.

## Part VII. Bonds

Applicable Not applicable

## Part VIII. Financial Report

### I. Auditor's Report

Auditor's opinion	Unqualified opinion
Date of signing	24 April 2026
Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Audit Report Number	De Shi Bao (Shen) Zi (26) No. P07167
Chinese Certified Public Accountant	Peng Jinyong, Luo Wei

#### Auditor's Report (Body)

TO THE BOARD OF DIRECTORS OF DR CORPORATION LIMITED,

#### I. Opinion

We have audited the financial statements of DR Corporation Limited (the "Company"), which comprise the consolidated and the Company's balance sheets as at 31 December 2025, and the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements and the consolidated and the Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and present fairly the consolidated and the Company's financial position as at 31 December 2025, and the consolidated and the Company's results of operations and cash flows for the year then ended.

#### II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Independence Standards for Chinese Certified Public Accountants No. 1 - Independence Requirements for Financial Statement Audit and Review Engagements and the Code of Ethics for Chinese Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We have complied with the independence requirements for audits of public interest entities during our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We determine the followings are key audit matters that need to be addressed in our report.

##### 1. Occurrence of revenue from sales of goods

For the year ended 31 December 2025, the revenue presented in the Company's consolidated financial statements was RMB1,520,123,270.56. The Company's business model mainly includes direct sales of goods to consumers through direct-operated stores, e-commerce platforms and joint-operated stores in collaboration with shopping malls. The revenue is

recognised at a point in time when the customers receive goods. As the amount of revenue from sales of goods is material to the financial statements and there is an inherent risk that management may manipulate revenue recognition to meet specific targets or expectations, the occurrence of revenue from sales of goods is identified as a key audit matter in the audit of consolidated financial statements.

Our procedures in relation to above key audit matter mainly include:

- (1) Testing and evaluating the operation effectiveness of key internal control related to recognition of revenue from sales of goods;
- (2) Obtaining an understanding of key terms of the contract for sales of goods and assessing whether the accounting policy for recognition of revenue from sales of goods complies with relevant provisions of the Accounting Standards for Business Enterprises;
- (3) Performing confirmation procedures for balances of accounts receivable with customers on a sampling basis;
- (4) Carrying out the reconciliation of the business system and the financial system under the assistance of internal data analysts, specifically, using computer-assisted audit techniques to reconcile order amounts in the business system against revenue recognition records in the financial system on a transaction-by-transaction basis, as well as payment receipts against original transaction data. On this basis, conducting a sample check of orders in the business system, verifying the corresponding delivery notes, logistics records and other relevant documentation;;
- (5) Selecting samples from the sales orders for which revenue has already been recognized during the year, check the corresponding bank payment records against the selected samples;
- (6) Performing data analysis on the sales orders with confirmed revenue based on multiple dimensions, including order placement time, order payment time, customer order concentration, and frequency of customer settlements on the same day;
- (7) Performing cut-off tests on revenue from sales of goods, inspecting the outbound bills and relevant express delivery records and customer receipts for one month before and after the balance sheet date and checking whether revenue from sales of goods is recorded in the correct accounting period;

## 2. Existence and measurement of inventories at the end of the period

As at 31 December 2025, the gross carrying amount of inventories presented in the Company's consolidated financial statements was RMB711,692,848.49, and the corresponding provision for decline in value of inventories was RMB3,821,724.61. The Company measures the closing balance of inventories at the lower of cost and net realisable value, and provision for decline in value of inventories is made where the net realisable value of inventories is below cost, while the management should make significant accounting estimates to determine the net realisable value. Furthermore, the Company's inventories have characteristics such as high unit value and difficulty in verifying authenticity, resulting in a high inherent risk regarding the existence of inventories. Therefore, existence and measurement of inventories at the end of the period is identified as a key audit matter in the audit of consolidated financial statements.

Our procedures in relation to above key audit matters mainly include:

- (1) Testing and evaluating the operating effectiveness of key internal controls in relation to purchase and management of inventories, and the recognition of provision for decline in value of inventories;
- (2) Attending physical inventory count, observing on the site to check whether the Company's physical inventory count plan was implemented properly; checking the quantity of the inventories on a sampling basis, weighing the inventories

on the site to check the quality, inspecting the certificates of the products and verifying the certificate numbers on the website of the appraisal organisation, and sending inventories to professional third-party inspection institutions to check the authenticity;

- (3) Understanding the accounting policies of provision for decline in value of inventories and evaluating whether the relevant accounting policies comply with the relevant provisions of the Accounting Standards for Business Enterprises ("ASBE");
- (4) Obtaining the calculation sheet of inventories' net realisable value, evaluating the reasonableness of the key estimates used in the calculation to determine net realisable value, comparing net realisable value with the cost of inventories, and recalculating the amount of the provision for decline in value of inventories;
- (5) Obtaining the list of defective and obsolete products, and analysing the sufficiency of the provision for decline in value of inventories.

#### IV. Other information

The Company's management is responsible for preparation of the other information. The other information comprises the information included in the 2025 annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

#### V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### VI. Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is

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

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by China Standards on Auditing to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be addressed in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Certified Public Accountants LLP  
Shanghai, China

Chinese Certified Public Accountant: Peng Jinyong  
(Engagement Partner)

Chinese Certified Public Accountant: Luo Wei

24 April 2026

## II. Financial statements

The notes to the financial statements are expressed in Renminbi ("RMB").

### 1. THE CONSOLIDATED BALANCE SHEET

Prepared by: DR Corporation Limited

31 December 2025

Unit: RMB

Item	31/12/2025	31/12/2024
Current Assets:		
Cash and bank balances	255,453,050.05	139,789,945.04
Settlement reserves		
Placements with banks and other financial institutions		
Held-for-trading financial assets	4,614,532,944.58	4,579,301,487.22
Derivative financial assets		
Notes receivable		
Accounts receivable	76,231,588.58	80,913,074.97
Receivables financing		
Prepayments	44,694,794.36	31,799,965.88
Premiums receivable		
Amounts receivable under reinsurance contracts		
Ceded insurance reserves		
Other receivables	6,849,519.33	5,861,059.14
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		

Inventories	707,871,123.88	447,453,664.80
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	629,841,781.93	433,485,362.17
Other current assets	144,205,619.48	162,203,323.60
Total Current Assets	6,479,680,422.19	5,880,807,882.82
Non-current Assets:		
Loans and advances to customers		
Debt investments	20,913,414.28	569,885,924.01
Other debt investments		
Long-term receivables		
Long-term equity investments	38,818,109.40	
Investment in other equity instruments		
Other non-current financial assets	309,215,157.75	403,675,066.37
Investment properties		
Fixed assets	5,614,795.86	8,468,744.76
Construction in progress	46,581,024.88	
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	170,335,409.88	152,164,147.57
Intangible assets	466,394,718.49	468,810,408.38
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	31,407,587.38	33,080,008.71
Deferred tax assets	40,793,386.78	12,604,433.20
Other non-current assets	23,637,116.29	22,796,044.75
Total Non-current Assets	1,153,710,720.99	1,671,484,777.75
TOTAL ASSETS	7,633,391,143.18	7,552,292,660.57
Current Liabilities:		
Short-term borrowings	790,302,899.14	339,509,472.61
Loans from the central bank		
Taking from banks and other financial institutions		
Held-for-trading financial liabilities		144,722,831.86
Derivative financial liabilities		
Notes payable	73,961,196.53	32,833,149.16
Accounts payable	35,318,002.01	31,342,378.26
Receipts in advance		
Contract liabilities	116,030,178.26	112,689,599.45

Financial assets sold under repurchase agreements		
Customer deposits and deposits from banks and other financial institutions		
Funds from securities trading agency		
Funds from underwriting securities agency		
Employee benefits payable	49,193,098.97	49,322,968.57
Taxes payable	26,749,615.82	24,920,783.07
Other payables	57,528,339.01	284,488,227.25
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Amounts payable under reinsurance contracts		
Held-for-sale liabilities		
Non-current liabilities due within one year	121,790,031.68	124,580,445.15
Other current liabilities	11,264,840.37	10,993,820.57
Total Current Liabilities	1,282,138,201.79	1,155,403,675.95
Non-current Liabilities:		
Insurance reserves		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	70,683,200.60	57,720,087.24
Long-term payables		
Long-term employee benefits payable		
Provisions	2,052,503.50	2,396,714.59
Deferred income		
Deferred tax liabilities	13,724,259.11	13,267,878.46
Other non-current liabilities		
Total Non-current Liabilities	86,459,963.21	73,384,680.29
TOTAL LIABILITIES	1,368,598,165.00	1,228,788,356.24
OWNERS' EQUITY:		
Share capital	400,274,550.00	400,010,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,464,073,048.65	4,460,323,165.76
Less: Treasury shares	3,999,996.00	
Other comprehensive income	4,108,128.93	1,933,804.33
Special reserve		
Surplus reserve	200,005,000.00	200,005,000.00

General risk reserve		
Retained profits	1,200,332,246.60	1,261,232,334.24
Total equity attributable to owners of the Company	6,264,792,978.18	6,323,504,304.33
Minority interests		
TOTAL OWNERS' EQUITY	6,264,792,978.18	6,323,504,304.33
TOTAL LIABILITIES AND OWNERS' EQUITY	7,633,391,143.18	7,552,292,660.57

Legal representative: Zhang Guotao    Chief Financial Officer: Huang Shuirong    Person in Charge of the Accounting Body: Ou Zhipeng

## 2. THE COMPANY'S BALANCE SHEET

Unit: RMB

Item	31/12/2025	31/12/2024
<b>Current Assets:</b>		
Cash and bank balances	195,405,694.13	84,371,254.48
Held-for-trading financial assets	3,956,973,268.03	3,778,922,269.59
Derivative financial assets		
Notes receivable		
Accounts receivable	220,362,548.84	158,171,764.44
Receivables financing		
Prepayments	35,898,398.83	25,600,858.22
Other receivables	784,899,194.37	1,074,292,359.51
Including: Interest receivable		
Dividends receivable	40,000,000.00	
Inventories	703,752,452.95	446,324,926.43
Including: Data resources		
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	572,358,005.72	376,061,459.78
Other current assets	99,623,069.09	158,117,584.81
<b>Total Current Assets</b>	<b>6,569,272,631.96</b>	<b>6,101,862,477.26</b>
<b>Non-current Assets:</b>		
Debt investments	20,913,414.28	517,058,449.21
Other debt investments		
Long-term receivables		
Long-term equity investments	379,753,587.17	346,935,477.77
Investment in other equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	2,389,228.56	4,346,285.63
Construction in progress	46,581,024.88	
Bearer biological assets		
Oil and gas assets		

Right-of-use assets	136,942,266.84	122,061,607.94
Intangible assets	463,236,834.25	464,537,282.07
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	30,924,614.37	31,972,813.41
Deferred tax assets	36,377,726.02	9,559,397.03
Other non-current assets	18,242,482.35	19,314,052.30
Total Non-current Assets	1,135,361,178.72	1,515,785,365.36
TOTAL ASSETS	7,704,633,810.68	7,617,647,842.62
Current Liabilities:		
Short-term borrowings	145,000,000.00	17,000,000.00
Held-for-trading financial liabilities		144,722,831.86
Derivative financial liabilities		
Notes payable	704,809,030.23	302,534,337.13
Accounts payable	46,239,992.47	132,454,442.00
Receipts in advance		
Contract liabilities	81,428,085.67	90,314,827.40
Employee benefits payable	29,133,758.87	30,766,040.52
Taxes payable	8,429,206.36	10,483,418.92
Other payables	422,893,349.44	540,282,419.90
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	101,154,620.77	99,015,207.52
Other current liabilities	4,446,324.61	4,436,487.60
Total Current Liabilities	1,543,534,368.42	1,372,010,012.85
Non-current Liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	54,282,821.45	47,880,487.44
Long-term payables		
Long-term employee benefits payable		
Provisions	6,679,454.79	8,149,374.59
Deferred income		
Deferred tax liabilities	8,457,677.63	9,559,397.03
Other non-current liabilities		
Total Non-current Liabilities	69,419,953.87	65,589,259.06

TOTAL LIABILITIES	1,612,954,322.29	1,437,599,271.91
OWNERS' EQUITY:		
Share capital	400,274,550.00	400,010,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,464,073,276.32	4,460,323,393.43
Less: Treasury shares	3,999,996.00	0.00
Other comprehensive income		0.00
Special reserve		0.00
Surplus reserve	200,005,000.00	200,005,000.00
Retained profits	1,031,326,658.07	1,119,710,177.28
TOTAL OWNERS' EQUITY	6,091,679,488.39	6,180,048,570.71
TOTAL LIABILITIES AND OWNERS' EQUITY	7,704,633,810.68	7,617,647,842.62

### 3. THE CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	2025	2024
I. Total operating income	1,520,123,270.56	1,482,423,153.98
Including: Operating income	1,520,123,270.56	1,482,423,153.98
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	1,547,845,706.89	1,570,976,795.23
Including: Operating costs	519,645,144.24	511,619,039.82
Interest expenses		
Fee and commission expenses		
Surrenders		
Net claims and benefits paid		
Net change in insurance reserves		
Insurance policyholder dividends		
Expenses for inward reinsurance		
Taxes and levies	71,661,447.16	74,439,790.96
Selling expenses	751,560,974.17	815,592,363.96
Administrative expenses	143,704,100.95	143,151,851.03
Research and development expenses	14,717,312.04	17,924,589.44
Financial expenses	46,556,728.33	8,249,160.02
Including: Interest expenses	15,080,305.50	12,534,223.67
Interest income	1,258,964.66	2,694,877.83
Add: Other income	12,452,164.33	11,825,783.06
Investment income (Loss is	20,691,165.50	31,445,485.07

indicated by "-")		
Including: Income from investments in associates and joint ventures	-2,381,890.60	
Gains from derecognition of financial assets at amortised cost	7,705,706.53	28,043,524.74
Foreign exchange gains (Losses are indicated by "-")		
Net position hedging gains (Losses are indicated by "-")		
Gains from changes in fair value (Losses are indicated by "-")	147,078,297.61	143,497,507.24
Impairment losses of credit (Losses are indicated by "-")	-74,552.70	2,073,814.11
Impairment losses of assets (Losses are indicated by "-")	1,687,236.92	-30,065,543.88
Gains from disposal of assets (Losses are indicated by "-")	-583,858.66	10,862,835.63
III. Operating profit (Loss is indicated by "-")	153,528,016.67	81,086,239.98
Add: Non-operating income	1,552,944.61	3,683,906.32
Less: Non-operating expenses	6,580,987.46	2,491,264.18
IV. Total profit (Total loss is indicated by "-")	148,499,973.82	82,278,882.12
Less: Income tax expenses	9,395,061.46	29,249,349.43
V. Net profit (Net loss is indicated by "-")	139,104,912.36	53,029,532.69
(I) Categorised by the nature of continuing operation		
1. Net profit from continuing operations (Net loss is indicated by "-")	139,104,912.36	53,029,532.69
2. Net profit from discontinued operations (Net loss is indicated by "-")		
(II) Categorised by ownership:		
1. Net profit attributable to shareholders of the Company	139,104,912.36	53,029,532.69
2. Profit or loss attributable to minority shareholders		
VI. Other comprehensive income, net of tax	2,174,324.60	-2,516,096.92
Other comprehensive income attributable to owners of the Company, net of tax	2,174,324.60	-2,516,096.92
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		

3. Changes in fair values of investments in other equity instruments		
4. Change in the fair value of the entity's own credit risks		
5. Others		
(II) Other comprehensive income that may be reclassified to profit or loss	2,174,324.60	-2,516,096.92
1. Other comprehensive income that can be reclassified to profit or loss under the equity method		
2. Changes in fair values of other debt investments		
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
4. Allowances for credit impairment of other debt investments		
5. Cash flow hedges reserve		
6. Translation differences of financial statements denominated in foreign currencies	2,174,324.60	-2,516,096.92
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	141,279,236.96	50,513,435.77
Total comprehensive income attributable to owners of the Company	141,279,236.96	50,513,435.77
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(I) Basic earnings per share	0.35	0.13
(II) Diluted earnings per share	0.35	0.13

For business combination involving entities under common control occurred during the period, net profit of the acquiree generated before the business combination is RMB0.00, net profit of the acquiree generated in the prior period is RMB0.00.

Legal Representative: Zhang Guotao    Chief Financial Officer: Huang Shuirong    Person in Charge of the Accounting Body: Ou Zhipeng

#### 4. THE COMPANY'S INCOME STATEMENT

Unit: RMB

Item	2025	2024
I. Operating income	1,331,310,330.26	1,337,224,832.29
Less: Operating costs	499,874,970.46	504,417,211.25
Taxes and levies	61,248,170.82	64,645,825.01
Selling expenses	617,825,533.84	697,666,146.73
Administrative expenses	285,351,145.53	284,868,330.13
Research and development expenses	14,150.94	0.00
Financial expenses	-16,881,049.48	10,218,948.86
Including: Interest expenses	8,308,244.76	7,851,291.80
Interest income	31,692,363.77	2,004,435.80

Add: Other income	1,881,579.23	3,535,619.61
Investment income (Loss is indicated by "-")	135,721,263.66	289,072,828.16
Including: Income from investments in associates and joint ventures	-2,381,890.60	
Gains from derecognition of financial assets at amortised cost (Losses are indicated by "-")	5,387,490.70	24,713,277.12
Net position hedging gains (Losses are indicated by "-")		
Gains from changes in fair value (Losses are indicated by "-")	61,795,989.22	120,593,373.52
Impairment losses of credit (Losses are indicated by "-")	329,364.12	1,939,179.11
Impairment losses of assets (Losses are indicated by "-")	1,758,895.15	-27,705,111.96
Gains from disposal of assets (Losses are indicated by "-")	-743,268.05	10,754,774.88
II. Operating profit (Loss is indicated by "-")	84,621,231.48	173,599,033.63
Add: Non-operating income	1,097,852.30	2,505,560.45
Less: Non-operating expenses	1,987,998.13	2,479,145.51
III. Total profit (Total loss is indicated by "-")	83,731,085.65	173,625,448.57
Less: Income tax expenses	-27,890,395.14	54,296.06
IV. Net profit (Net loss is indicated by "-")	111,621,480.79	173,571,152.51
(I) Net profit from continuing operations (Net loss is indicated by "-")	111,621,480.79	173,571,152.51
(II) Net profit from discontinued operations (Net loss is indicated by "-")		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes from remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method		
3. Changes in fair values of investments in other equity instruments		
4. Change in the fair value of the entity's own credit risks		
5. Others		
(II) Other comprehensive income that may be reclassified to profit or loss		
1. Other comprehensive income that can be reclassified to profit or loss		

under the equity method		
2. Changes in fair values of other debt investments		
3. Amount recognised in other comprehensive income resulting from the reclassification of financial assets		
4. Allowances for credit impairment of other debt investments		
5. Cash flow hedges reserve		
6. Translation differences of financial statements denominated in foreign currencies		
7. Others		
VI. Total comprehensive income	111,621,480.79	173,571,152.51
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 5. THE CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	2025	2024
I. Cash Flows from Operating Activities:		
Cash receipts from sales of goods and rendering of services	1,588,678,995.96	1,559,437,979.11
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in taking from other financial institutions		
Cash receipts from premiums under direct insurance contracts		
Net cash receipts from reinsurance business		
Net cash receipts from policyholders' deposits and investment contract liabilities		
Cash receipts from interest, fees and commissions		
Net increase in taking from banks		
Net increase in financial assets sold under repurchase arrangements		
Net cash receipts for securities trading agency		
Receipts of tax refunds	9,284,376.94	15,214,722.25
Other cash receipts relating to operating activities	18,855,921.98	29,614,770.22
Sub-total of cash inflows from operating activities	1,616,819,294.88	1,604,267,471.58
Cash payments for goods purchased	1,013,825,102.51	423,436,156.82

and services received		
Net increase in loans and advances to customers		
Net increase in balance with the central bank and due from banks and other financial institutions		
Cash payments for claims and benefits under direct insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash payments for interest, fees and commissions		
Cash payments for insurance policyholder dividends		
Cash payments to and on behalf of employees	381,554,984.81	428,563,742.77
Payments of various types of taxes	165,334,600.53	153,090,651.94
Other cash payments relating to operating activities	333,050,005.36	283,021,080.97
Sub-total of cash outflows from operating activities	1,893,764,693.21	1,288,111,632.50
Net Cash Flow from Operating Activities	-276,945,398.33	316,155,839.08
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	7,296,442,964.71	6,641,616,655.93
Cash receipts from investment income	225,115,247.80	166,840,806.45
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	384,191.24	543,411.43
Net cash receipts from disposals of subsidiaries and other business units		
Other cash receipts relating to investing activities	7,810,000.00	0.00
Sub-total of cash inflows from investing activities	7,529,752,403.75	6,809,000,873.81
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	313,484,710.95	272,199,748.49
Cash payments to acquire investments	6,913,570,040.04	6,450,465,591.22
Net increase in pledged loans receivables		
Net cash payments for acquisitions of subsidiaries and other business units		
Other cash payments relating to investing activities	6,620,000.00	0.00
Sub-total of cash outflows from investing activities	7,233,674,750.99	6,722,665,339.71
Net Cash Flow from Investing Activities	296,077,652.76	86,335,534.10
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	3,999,996.00	0.00
Including: Cash receipts from capital contributions from minority shareholders		

of subsidiaries		
Cash receipts from borrowings	911,158,960.60	427,287,829.95
Other cash receipts relating to financing activities	25,094,862.00	18,707,850.67
Sub-total of cash inflows from financing activities	940,253,818.60	445,995,680.62
Cash repayments of borrowings	462,004,948.23	478,342,977.65
Cash payments for distribution of dividends or profits or settlement of interest expenses	206,119,806.34	203,605,772.64
Including: Payments for distribution of dividends or profits to minority shareholders of subsidiaries		
Other cash payments relating to financing activities	176,423,016.53	246,774,140.69
Sub-total of cash outflows from financing activities	844,547,771.10	928,722,890.98
Net Cash Flow from Financing Activities	95,706,047.50	-482,727,210.36
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	807,487.17	-6,940,805.55
V. Net Increase in Cash and Cash Equivalents	115,645,789.10	-87,176,642.73
Add: Opening balance of cash and cash equivalents	139,786,968.23	226,963,610.96
VI. Closing Balance of Cash and Cash Equivalents	255,432,757.33	139,786,968.23

## 6. THE COMPANY'S CASH FLOW STATEMENT

Unit: RMB		
Item	2025	2024
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	1,586,592,535.02	1,527,126,332.65
Receipts of tax refunds	17,204.27	224,614.03
Other cash receipts relating to operating activities	2,109,225,231.68	762,935,326.97
Sub-total of cash inflows from operating activities	3,695,834,970.97	2,290,286,273.65
Cash payments for goods purchased and services received	999,307,761.07	340,290,886.36
Cash payments to and on behalf of employees	290,410,263.12	337,651,727.17
Payments of various types of taxes	93,057,839.43	106,205,843.19
Other cash payments relating to operating activities	2,062,436,032.86	2,286,548,582.51
Sub-total of cash outflows from operating activities	3,445,211,896.48	3,070,697,039.23
Net Cash Flow from Operating Activities	250,623,074.49	-780,410,765.58
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	6,087,737,038.17	6,468,279,402.52
Cash receipts from investment income	222,847,818.82	528,752,372.03
Net cash receipts from disposals of	384,191.24	543,411.43

fixed assets, intangible assets and other long-term assets		
Net cash receipts from disposals of subsidiaries and other business units	0.00	13.47
Other cash receipts relating to investing activities	7,810,000.00	0.00
Sub-total of cash inflows from investing activities	6,318,779,048.23	6,997,575,199.45
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	312,734,911.67	270,129,361.21
Cash payments to acquire investments	5,944,501,579.73	5,616,432,591.30
Net cash payments for acquisitions of subsidiaries and other business units	0.00	0.00
Other cash payments relating to investing activities	6,620,000.00	0.00
Sub-total of cash outflows from investing activities	6,263,856,491.40	5,886,561,952.51
Net Cash Flow from Investing Activities	54,922,556.83	1,111,013,246.94
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	3,999,996.00	0.00
Cash receipts from borrowings	185,000,000.00	17,000,000.00
Other cash receipts relating to financing activities	23,668,433.00	16,103,308.61
Sub-total of cash inflows from financing activities	212,668,429.00	33,103,308.61
Cash repayments of borrowings	57,000,000.00	60,000,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	201,947,862.49	200,660,088.90
Other cash payments relating to financing activities	148,248,905.34	213,278,217.05
Sub-total of cash outflows from financing activities	407,196,767.83	473,938,305.95
Net Cash Flow from Financing Activities	-194,528,338.83	-440,834,997.34
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-168.88	305.56
V. Net Increase in Cash and Cash Equivalents	111,017,123.61	-110,232,210.42
Add: Opening balance of cash and cash equivalents	84,368,277.80	194,600,488.22
VI. Closing Balance of Cash and Cash Equivalents	195,385,401.41	84,368,277.80

## 7. THE CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Amount for the period

Unit: RMB

Item	2025														Minority interests	Total owners' equity
	Equity attributable to owners of the Company															
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Others	Subtotal			
	Preference shares	Perpetual bonds	Others													
I. Balance at 31 December 2024	400,010,000.00				4,460,323,165.76		1,933,804.33		200,005,000.00		1,261,232,334.24		6,323,504,304.33		6,323,504,304.33	
Add: Changes in accounting policies																
Corrections of prior period errors																
Others																
II. Balance at 1 January 2025	400,010,000.00				4,460,323,165.76		1,933,804.33		200,005,000.00		1,261,232,334.24		6,323,504,304.33		6,323,504,304.33	

III. Changes for the period (Decrease is indicated by "-")	264,550.00				3,749,882.89	3,999,996.00	2,174,324.60						-60,900,087.64		-58,711,326.15
(I) Total comprehensive income							2,174,324.60						139,104,912.36		141,279,236.96
(II) Owners' contributions or reduction in capital	264,550.00				3,749,882.89	3,999,996.00								14,436.89	14,436.89
1. Ordinary shares contributed by owners															
2. Capital contribution from holders of other equity instruments															
3. Share-based payments included in owners'					14,436.89									14,436.89	14,436.89

equity															
4. Others	264,550.00				3,735,446.00	3,999,996.00							0.00		0.00
(III) Profit distributio n													- 200,005,000.00	- 200,005,000.00	-200,005,000.00
1. Transfer to surplus reserve															
2. Transfer to general risk reserve															
3. Distributi ons to owners (or sharehold ers)													- 200,005,000.00	- 200,005,000.00	-200,005,000.00
4. Others															
(IV) Transfers within owners' equity															
1. Capitalisa tion of capital reserve															
2.															

Capitalisation of surplus reserve																				
Loss offset by surplus reserve																				
4. Transfer of changes in the defined benefit plan to retained earnings																				
5. Other comprehensive income transferred to retained earnings																				
6. Others																				
(V) Special reserve																				
1. Transfer to special reserve in the period																				
2.																				

Amount utilised in the period															
(VI) Others															
IV. Balance at 31 December 2025	400,274,550.00				4,464,073,048.65	3,999,996.00	4,108,128.93		200,005,000.00		1,200,332,246.60		6,264,792,978.18		6,264,792,978.18

Amount for the prior period

Unit: RMB

Item	2024														Minority interests	Total owners' equity
	Equity attributable to owners of the Company												Subtotal			
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Others				
	Preference shares	Perpetual bonds	Others													
I. Balance at 31 December 2023	400,010,000.00				4,459,965,139.16			4,449,901.25		200,005,000.00		1,408,207,801.55		6,472,637,841.96		6,472,637,841.96
Add: Changes in accounting policies																
Corrections of prior period errors																
Others																
II. Balance at 1 January 2024	400,010,000.00				4,459,965,139.16			4,449,901.25		200,005,000.00		1,408,207,801.55		6,472,637,841.96		6,472,637,841.96
III. Changes for the period					358,026.60			-2,516,096.92				-146,975,467.31		-149,133,537.63		-149,133,537.63

(Decrease is indicated by "-")															
(I) Total comprehensive income							2,516,096.92	-			53,029,532.69		50,513,435.77		50,513,435.77
(II) Owners' contributions or reduction in capital					358,026.60								358,026.60		358,026.60
1. Ordinary shares contributed by owners															
2. Capital contribution from holders of other equity instruments															
3. Share-based payments included					358,026.60								358,026.60		358,026.60

in owners' equity																		
4. Others																		
(III) Profit distribution																		
1. Transfer to surplus reserve																		
2. Transfer to general risk reserve																		
3. Distributions to owners (or shareholders)																		
4. Others																		
(IV) Transfers within owners' equity																		
1. Capitali																		

sation of capital reserve																				
2. Capitali sation of surplus reserve																				
Loss offset by surplus reserve																				
4. Transfer of changes in the defined benefit plan to retained earnings																				
5. Other compreh ensive income transferr ed to retained earnings																				
6. Others																				
(V) Special reserve																				
1.																				

Transfer to special reserve in the period															
2. Amount utilised in the period															
(VI) Others															
IV. Balance at 31 December 2024	400,010,000.00				4,460,315.76		1,933,804.33		200,005,000.00		1,261,232,334.24		6,323,504,304.33		6,323,504,304.33

## 8. THE COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY

Amount for the period

Unit: RMB

Item	2025											Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Others	
		Preference shares	Perpetual bonds	Others								
I. Balance at 31 December 2024	400,010,000.00				4,460,323,393.43				200,005,000.00	1,119,710,177.28		6,180,048,570.71
Add: Changes in accounting policies												
Corrections of												

prior period errors												
Others												
II. Balance at 1 January 2025	400,010,000.00				4,460,323,393.43				200,005,000.00	1,119,710,177.28		6,180,048,570.71
III. Changes for the period (Decrease is indicated by "-")	264,550.00				3,749,882.89	3,999,996.00				-88,383,519.21		-88,369,082.32
(I) Total comprehensive income										111,621,480.79		111,621,480.79
(II) Owners' contributions or reduction in capital	264,550.00				3,749,882.89	3,999,996.00						14,436.89
1. Ordinary shares contributed by owners												
2. Capital contribution from holders of other equity instruments												
3. Share-based payments included in owners' equity					14,436.89							14,436.89
4. Others	264,550.00				3,735,446.00	3,999,996.00						0.00
(III) Profit distribution										-200,005,000.00		-200,005,000.00
1. Transfer to												

surplus reserve												
2. Distributions to owners (or shareholders)											-200,005,000.00	-200,005,000.00
3. Others												
(IV) Transfers within owners' equity												
1. Capitalisation of capital reserve												
2. Capitalisation of surplus reserve												
Loss offset by surplus reserve												
4. Transfer of changes in the defined benefit plan to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve												
1. Transfer to special reserve in the period												
2. Amount utilised in the period												

(VI) Others												
IV. Balance at 31 December 2025	400,274,550.00				4,464,073,276.32	3,999,996.00			200,005,000.00	1,031,326,658.07		6,091,679,488.39

Amount for the prior period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Others	Total owners' equity
		Preference shares	Perpetual bonds	Others								
I. Balance at 31 December 2023	400,010,000.00				4,459,965,366.83				200,005,000.00	1,146,144,024.77		6,206,124,391.60
Add: Changes in accounting policies												
Corrections of prior period errors												
Others												
II. Balance at 1 January 2024	400,010,000.00				4,459,965,366.83				200,005,000.00	1,146,144,024.77		6,206,124,391.60
III. Changes for the period (Decrease is indicated by "-")					358,026.60					-26,433,847.49		-26,075,820.89
(I) Total comprehensive income										173,571,152.51		173,571,152.51
(II) Owners' contributions or reduction in capital					358,026.60							358,026.60

1. Ordinary shares contributed by owners												
2. Capital contribution from holders of other equity instruments												
3. Share-based payments included in owners' equity					358,026.60							358,026.60
4. Others												
(III) Profit distribution										-200,005,000.00		-200,005,000.00
1. Transfer to surplus reserve												
2. Distributions to owners (or shareholders)										-200,005,000.00		-200,005,000.00
3. Others												
(IV) Transfers within owners' equity												
1. Capitalisation of capital reserve												
2. Capitalisation of surplus reserve												
Loss offset by surplus reserve												
4. Transfer of												

changes in the defined benefit plan to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Others												
(V) Special reserve												
1. Transfer to special reserve in the period												
2. Amount utilised in the period												
(VI) Others												
IV. Balance at 31 December 2024	400,010,000.00				4,460,323,393.43				200,005,000.00	1,119,710,177.28		6,180,048,570.71

### III. BASIC INFORMATION

DR Corporation Limited (the "Company") is a limited liability company registered in Shenzhen, Guangdong Province of the People's Republic of China. The Company was established on 8 April 2010 with a perpetual operating period. The registered place of the Company is Room 1308, Block C, CR Land Building, Dachong Community, Yuehai Street, Nanshan District, Shenzhen. The Company headquarters in Shenzhen. The Company and its subsidiaries (the "Group") are primarily engaged in the brand operations, customised sales and R&D and design of jewelry.

The consolidated and the Company's financial statements have been approved by the Company's Board of Directors on 24 April 2026.

### IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 1. Basis of preparation

The Group has implemented the Accounting Standards for Business Enterprises and relevant provisions issued by the Ministry of Finance. In addition, the Group has disclosed relevant financial information in accordance with Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports (Revised in 2023).

#### 2. Going concern

The Group assessed its ability to continue as a going concern for the 12 months from 31 December 2025 and did not notice any events or circumstances that may cast significant doubt upon its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

### V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

The Group determined the specific accounting policies and accounting estimates according to the production and business operation characteristics that mainly reflected in allowances for bad debts of receivables, valuation method of inventories, provision for decline in value of inventories, amortisation of long-term prepaid expenses, depreciation of right-of-use assets, impairment of long-term assets, revenue recognition and measurement, etc.

#### 1. Statement of compliance with the Accounting Standards for Business Enterprises ("ASBE")

The financial statements of the Company have been prepared in accordance with the ASBE, and present truly and completely, the consolidated and the Company's financial position as at 31 December 2025, and the consolidated and the Company's results of operations and cash flows for the year then ended.

#### 2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

### 3. Operating cycle

The operating cycle refers to the period from purchase of assets used for processing to realisation of cash or cash equivalents. The Group's operating cycle is 12 months.

### 4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's overseas subsidiaries choose the currency used in the primary economic environment in which they operate as their functional currency. The Company adopts RMB to prepare its financial statements.

### 5. Determination method and selection basis of materiality criteria

Applicable Not applicable

Item	Materiality criteria
Material amount recovered or reversed of allowances for bad debts of receivables	The amount recovered or reversed on an individual basis accounts for more than 10% of total allowances for bad debts of corresponding receivables and the amount exceeds RMB5 million
Write-off of material receivables	The amount written off on an individual basis accounts for more than 10% of total allowances for bad debts of corresponding receivables and the amount exceeds RMB5 million
Material debt investments	The amount of individual debt investments accounts for more than 10% of total debt investments
Write-off of material debt investments	The amount of individual debt investments written off accounts for more than 10% of total debt investments
Asset groups with material provision for impairment recognised in the current year	The amount of provision for impairment of a single store's asset group is more than RMB500,000
Material prepayments and dividends receivable aged more than one year	The amount of individual prepayments and dividends receivable aged more than one year accounts for more than 10% of corresponding total prepayments and dividends and the amount exceeds RMB5 million
Material contract liabilities aged more than one year	The amount of individual contract liabilities aged more than one year accounts for more than 10% of total contract liabilities
Material accounts payable and other payables aged more than one year or overdue	Individual accounts payable and other payables aged more than one year accounts for more than 10% of total accounts payable and other payables and the amount exceeds RMB5 million
Material cash receipts or payments relating to investing activities	Cash receipts or payments relating to individual investing activities account for more than 10% of total cash receipts or payments relating to investing activities and the amount exceeds RMB50 million
Significant subsidiaries	The net profit of the subsidiary accounts for more than 10% of the consolidated net profit of the Group

### 6. Accounting treatment of business combination involving or not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

#### (1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combined entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination or the aggregate face value of shares issued as consideration is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss for the period in which they are incurred.

#### (2) Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

## **7. Determination criteria of control and preparation method of consolidated financial statements**

#### (1) Determination criteria of control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the above elements of the definition of control.

## (2) Preparation method of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effects of all intra-group transactions on the consolidated financial statements are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" under shareholders' equity in the consolidated balance sheet. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented as "profit or loss attributable to minority interests" under "net profit" in the consolidated income statement.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

## 8. Determination criteria for cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily available for payments. Cash equivalents are the Group's short-term (generally due within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 9. Translation of transactions and financial statements denominated in foreign currencies

### (1) Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recorded, on initial recognition, by applying the spot exchange rate on the date of transaction.

At the balance sheet date, foreign currency monetary items are translated into functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that (i) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period; (ii) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (iii) exchange differences arising from changes in the gross carrying amounts (other than the amortised cost) of monetary items at fair value through other comprehensive income are recognised as other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognised as "translation differences of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and is recognised in profit or loss for the period or as other comprehensive income.

### (2) Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the exchange rates that approximate the spot exchange rates on the dates of the transactions determined on a reasonable and systematic basis; the difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognised as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the spot exchange rate prevailing on the date when the cash flows occur. The effect of exchange rate changes on cash and cash

equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The closing balances and the actual figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain equity investments or other reasons, the Group transfers the accumulated translation differences of financial statements denominated in foreign currency relating to the foreign operation attributable to the owners' equity of the Company and presented under owners' equity, to profit or loss for the period in which the disposal occurs.

When the disposal of part of the equity investments or other reason results in decrease in proportion of equity in a foreign operation but does not result in loss of control over the foreign operation, the translation differences of financial statements denominated in foreign currency relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associate or joint venture, the translation differences of financial statements denominated in foreign currency relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed.

## 10. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognises assets acquired and liabilities assumed on a trade date basis, or derecognises the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initially recognised amounts. Upon initial recognition of accounts receivable that do not contain significant financing component or without considering the financing component included in the contract with a term not exceeding one year under the Accounting Standards for Business Enterprises No. 14 - Revenue ("Revenue Standards"), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (such as repayment in advance, extension, call option or other similar options etc.) (without considering the expected credit losses).

The amortised cost of a financial asset or financial liability is the initially recognised amount net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of difference between the amount initially recognised and the

amount at the maturity date using effective interest method, and then net of cumulative allowances for losses (only applicable to financial assets).

#### (1) Classification, recognition and measurement of financial assets

After initial recognition, the Group's financial assets of various types are subsequently measured at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), respectively.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortised cost, which mainly include cash and bank balances, accounts receivable, other receivables and debt investments, etc.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling such financial assets, the Group shall classify the financial asset into the financial asset at fair value through other comprehensive income ("FVTOCI"). Financial assets at FVTOCI are presented as other debt investments, and those due within one year (inclusive) since the balance sheet date are presented as non-current assets due within one year. Notes receivable and notes receivable classified as at FVTOCI upon acquisition are presented as receivables financing, and others with the period within one year (inclusive) upon acquisition are presented as other current assets.

Upon initial recognition, the Group may irrevocably designate the non-held-for-trading equity instrument investments other than contingent considerations recognised in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual asset basis. Such type of financial assets is presented as investments in other equity instruments.

A financial asset is classified as held for trading if one of the following conditions is satisfied:

- (i) It has been acquired principally for the purpose of selling it in the near term.
- (ii) On initial recognition, it is part of a portfolio of identifiable financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- (iii) It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Financial assets at FVTPL include financial assets classified as at FVTPL and those designated as at FVTPL:

- (i) Financial assets not satisfying the criteria of classification as financial assets at amortised cost and financial assets at FVTOCI are classified as financial assets at FVTPL.
- (ii) Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

Financial assets at FVTPL are presented as held-for-trading financial assets. Financial assets with a maturity over one year since the balance sheet date (or without a fixed maturity) and expected to be held for over one year are presented under other non-current financial assets.

## (2) Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss for the period.

For financial assets at amortised cost, the Group recognises interest income using effective interest method. Interest income is determined by applying an effective interest rate to the gross carrying amount of the financial asset, except for the following circumstances:

- (i) For a purchased or originated credit-impaired financial asset, the Group calculates and determines the interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset since initial recognition.
- (ii) For a purchased or originated financial asset that was not credit-impaired but has become credit-impaired in subsequent period, the Group calculates the interest income by applying the effective interest rate to the amortised cost of the financial asset in subsequent period. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of above provisions, the Group will calculate the interest income by applying the effective interest rate to the gross carrying amount of the financial asset.

## (3) Financial assets at FVTOCI

For financial assets classified as at FVTOCI, except for the impairment losses or gains, interest income calculated using effective interest method and exchange gains or losses which are included in profit or loss for the period, the changes in fair value of the financial assets are included in other comprehensive income. The amounts included in profit or loss for each period are equivalent to that as if it has been always measured at amortised cost. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

Changes in fair value of non-held-for-trading equity instrument investments designated as financial assets at FVTOCI are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period in which the Group holds the non-held-for-trading equity instrument, revenue from dividends is recognised in profit or loss for the period when (i) the Group has established the right of collecting dividends; (ii) it is probable that the associated economic benefits will flow to the Group; and (iii) the amount of dividends can be measured reliably.

## (4) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognised in profit or loss for the period.

For financial asset at amortised cost, financial assets classified as at FVTOCI, lease receivables, financial liabilities that are not at FVTPL and financial guarantee contracts that are not qualified for derecognition due to the transfer of financial assets or financial liabilities arising from continuing involvement of the transferred financial assets, the Company accounts for the impairment and recognises the loss allowances on the basis of expected credit loss ("ECL").

The Group makes a loss allowance against amount of lifetime ECL of notes receivable and accounts receivable arising from transactions adopting the Revenue Standard as well as lease receivables arising from transactions regulated by the Accounting Standards for Business Enterprises No. 21 - Leases.

For other financial instruments (other than purchased or originated credit-impaired financial assets), the Group assesses the changes of credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk has increased significantly since initial recognition of the financial instruments, the Group recognises the loss allowance at an amount equivalent to lifetime ECL; if the credit risk has not increased significantly since initial recognition of the financial instruments, the Group recognises the loss allowance at an amount equivalent to 12-month ECL. The increase or reversal of credit loss allowance for financial assets other than those classified as at FVTOCI is recognised as an impairment loss or gain and included in profit or loss for the period. For financial assets classified as at FVTOCI, the credit loss allowance is recognised in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financial assets in the balance sheet.

Where the Group has measured the loss allowance at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognises the loss allowance of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of loss allowance recognised as impairment gains in profit or loss for the period.

#### (5) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition with available reasonable and supportable forward-looking information. For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

The following factors are taken into account when assessing whether credit risk has increased significantly:

- (i) Significant changes in internal price indicators as a result of a change in credit risk;
- (ii) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.);
- (iii) Whether external market indicators of credit risk for the same financial instrument or financial instruments with shared expected life have changed significantly. Indicators include: credit spreads, credit default swap price for the borrower, length and extent of time when fair value of financial assets is less than amortised cost, other market information related to the borrower (including price changes in borrower's debt instruments or equity instruments);
- (iv) An actual or expected significant change in the financial instrument's external credit rating;
- (v) An actual or expected downgrade in the internal credit rating for the debtor;
- (vi) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- (vii) An actual or expected significant change in the operating results of the debtor;
- (viii) Significant increase in the credit risk of other financial instruments issued by the same debtor;
- (ix) Significant adverse changes in regulatory, economic, or technological environment of the debtor;

- (x) Significant changes in the value of collaterals or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the debtor's economic motives to repay within the time limit specified in contract or affect the probability of default;
- (xi) Significant change in the debtor's economic motives to repay within the time limit specified in contract;
- (xii) Expected changes to loan contract, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;
- (xiii) Significant changes in expected performance and repayment of the debtor;
- (xiv) Changes in the Group's credit management approach in relation to the financial instrument;

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly when contractual payments are more than 30 days (inclusive) past due.

#### (6) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- (i) Significant financial difficulty of the issuer or debtor;
- (ii) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (iii) The creditor(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor(s) would not otherwise consider;
- (iv) It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- (v) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the outcome of the above assessment, the Group presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days (inclusive) past due.

#### (7) Determination of ECL

The Group determines the ECL of relevant financial instruments using the following methods:

- (i) For financial assets and lease receivables, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received by the Group;
- (ii) For a financial guarantee contract (refer to Section VIII, Note V, 10. Financial Instruments, (14) Financial Guarantee Contracts for specific accounting policies), credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

(8) Write-down of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

(9) Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (iii) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

(i) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at FVTPL.

(ii) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the derecognition date; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss on changes in fair value that has been recognised in other comprehensive income, is recognised in profit or loss. Where the transferred assets are non-held-for-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred out and included in retained earnings.

If part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair value of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognised on the date of derecognition; and (2) the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised in other comprehensive

income, is recognised in profit or loss. Where the transferred assets are non-held-for-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and includes the consideration received in liability.

#### (10) Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual terms and their economic substance, together with the definition of financial liability and equity instrument.

#### (11) Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

#### (12) Financial liabilities at FVTPL

Financial liabilities at FVTPL include held-for-trading financial liabilities (including derivative financial liabilities) and financial liabilities designated as at FVTPL. Except for derivative financial liabilities which are presented separately, financial liabilities at FVTPL are presented as held-for-trading financial liabilities.

A financial liability is classified as held-for-trading if any of the following criteria is satisfied:

- (i) It has been incurred principally for the purpose of repurchasing it in the near term.
- (ii) On initial recognition, it is part of a portfolio of identifiable financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- (iii) It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

A financial liability may be designated as at FVTPL upon initial recognition if: (i) such designation eliminates or significantly reduces accounting mismatch; (ii) the Group makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Group's formally documented risk management or investment strategy, and reports to key management personnel on that basis; (iii) the qualified hybrid contract that contains embedded derivatives.

Held-for-trading financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest expenses paid on the financial liabilities are recognised in profit or loss for the period.

For a financial liability designated as at FVTPL, the amount of changes in the fair value of the financial liability that are attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, while other changes in fair values are included in profit or loss for the current period. Upon the derecognition of such financial liability, the accumulated amount of changes in fair value that are attributable to changes in the credit risk of that liability, which was

recognised in other comprehensive income, is transferred to retained earnings. Any dividend or interest expense on the financial liabilities is recognised in profit or loss. If the accounting treatment for the impact of the change in credit risk of such financial liability in the above ways would create or enlarge an accounting mismatch in profit or loss, the Group shall present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss for the period.

#### (13) Other financial liabilities

Except for financial liabilities and financial guarantee contracts arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets, other financial liabilities are subsequently measured at amortised cost, with gain or loss arising from derecognition or amortisation recognised in profit or loss.

If the modification or renegotiation for the contract by the Group and its counterparties does not result in derecognition of a financial liability subsequently measured at amortised cost but the changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognised in profit or loss. The Group will determine the carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the original effective interest rate of the financial liability. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortisation during the remaining term of the modified financial liability.

#### (14) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss or financial liabilities arising from transfer of financial assets that do not meet the derecognition criteria or those arising from continuing involvement in the transferred financial assets are measured at the higher of: (1) amount of loss allowance; and (2) the amount initially recognised less cumulative amortisation amount determined based on the revenue standard.

#### (15) Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the period.

#### (16) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Change of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group treats allocations to equity instrument holders as profit distribution and the distributed dividends do not affect the total amount of shareholders' equity.

#### (17) Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously, the financial assets and financial liabilities are offset with the net amount presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet without offsetting.

The Company is required to comply with the disclosure requirements for "Jewelry-related business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

## 11. Accounts receivable

#### (1) Determination method of and accounting treatment for allowances for bad debts of accounts receivable

The Group makes individual provisions for doubtful accounts on accounts receivable with significantly increased credit risk, and collectively provisions for the remaining accounts receivable based on credit risk characteristics. Increases or reversals of allowance for doubtful accounts are recognized in profit or loss as credit impairment losses or gains.

#### (2) Portfolios for which allowances for bad debts are collectively assessed based on credit risk characteristics and their basis

Except for accounts receivable for which allowances for bad debts are individually assessed, the Group classifies accounts receivable into two portfolios including receivables from POS terminals and e-commerce platforms and receivables from shopping malls based on common risk characteristics. The common credit risk characteristics include: types of the debtor, remaining contractual term, industry of the debtor, geographical location of the debtor, etc.

Category	Basis for determination
Portfolio I: Receivables from POS machines and e-commerce platforms	Receipt of payment is typically within a short period, with minimal credit risk; therefore, no bad debt provision is made.
Portfolio II: Receivables from shopping malls	Bad debt provisions are established based on probability of default, loss given default, exposure at default, and forward-looking factors.

#### (3) Basis of allowances for bad debts made on an individual basis

Where there is evidence indicating that amounts due from customers have been impaired, the customers have significant financial difficulties, and the Group is unable to recover such amounts in the foreseeable future, the Group makes allowances for bad debts of the accounts receivable on an individual basis.

## 12. Other receivables

(1) Determination method of and accounting treatment for allowances for bad debts of other receivables

The Group makes allowances for bad debts of other receivables with a significant increase in credit risk on an individual basis, and recognises credit loss on other receivables on a portfolio basis using the impairment matrix. The increase or reversal amount of allowances for bad debts of other receivables is included in profit or loss for the period as credit impairment loss or gain.

(2) Portfolios for which allowances for bad debts are collectively assessed based on credit risk characteristics and their basis

Except for accounts receivable for which allowances for bad debts are individually assessed, the Group classifies other receivables into different portfolios based on common risk characteristics. The common credit risk characteristics include: nature of the debts, remaining contractual term, industry of the debtor, category of the debtor, nature of the receivables etc.

Category	Basis for determination
Portfolio I	Receivables from intra-group transactions, dividends receivable and interest receivable
Portfolio II	Other portfolios of receivables with insignificant credit risk

(3) Basis of allowances for bad debts made on an individual basis

Where there is evidence indicating that other receivables have been impaired, the customers have significant financial difficulties, and the Group is unable to recover such amounts in the foreseeable future, the Group makes allowances for bad debts of these other receivables on an individual basis.

## 13. Inventories

The Company is required to comply with the disclosure requirements for "Jewelry-related business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

(1) Categories of inventories, valuation method of inventories delivered, inventory count system, amortisation method for low-value consumables and packaging materials

① Categories of inventories

The Group's inventories mainly include raw materials, semi-finished goods, goods on hand, reusable materials, goods delivered, and materials on consignment for further processing, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

② Valuation method of inventories delivered

The actual cost of inventories upon delivery is calculated using the specific identification method.

③ Inventory count system

The perpetual inventory system is maintained for stock system.

④ Amortisation method of low-value consumables and packaging materials

Packaging materials and low-value consumables are amortised using the immediate write-off method.

Other reusable materials are amortised using the immediate write-off method.

(2) Recognition criteria and methods for determining the provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, provision for decline in value of inventories is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of events subsequent to the balance sheet date.

The provision for decline in value of inventories shall be provided by the difference between the cost of the individual inventory (or a type of inventories) and its net realised value.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their carrying amount, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

The Company is required to comply with the disclosure requirements for "Retail business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

## 14. Held-for-sale assets

(1) Recognition criteria and accounting treatment of non-current assets or disposal groups classified as held-for-sale

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of non-monetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held-for-sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e., the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

When there is loss of control over a subsidiary due to disposal of investments in the subsidiary, and the proposed disposal of investment in the subsidiary satisfies classification criteria of held-for-sale category, the investments in subsidiaries are classified as held-for-sale category as a whole in the company's separate financial statement, and all assets and liabilities of

subsidiaries are classified as held-for-sale category in the consolidated financial statements regardless that part of the equity investments are remained after the sale.

The Group measures the non-current assets or disposal groups classified as held for sale at the lower of the carrying amount and net amount of fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, the carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised as impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is an increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment losses of assets recognised after the classification of held-for-sale category, and the reversal amount is included in profit or loss for the period. Impairment losses of assets recognised before they are classified as held for sale will not be reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

All or part of equity investments in an associate or joint venture are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

## (2) Determination basis and presentation method of discontinued operations

A discontinued operation is a component of an entity that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held for sale:

- (i) Such component represents a separate major line of business or geographical area of operations;
- (ii) Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan;
- (iii) Such component is a subsidiary acquired exclusively for the purpose of resale.

The profit or loss from discontinued operations are listed separately from the profit or loss from continued operations in the income statement, and the operating profit or loss such as impairment loss and reversal amount from discontinued operations and disposal profit or loss are presented as profit or loss from discontinued operations. For profit or loss from discontinued operations presented for the current period, the Group restated the information originally presented as profit or loss from continued operations as the profit or loss from discontinued operations in comparable accounting periods in the financial statements for the period.

## 15. Debt investments

Refer to relevant policies on financial instruments for the determination method of and accounting treatment for ECL of debt investments.

## 16. Long-term equity investments

- (1) Determination criteria of joint control and significant influence

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

## (2) Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of book value of owners' equity of combined party in financial statements of ultimate controlling party is recognised as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and cash paid, non-cash assets transferred and book value of liabilities assumed, is adjusted in capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the share of book value of owners' equity of the acquired entity in the ultimate controlling party's consolidated financial statements at the date of combination. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer determines if these transactions are considered to be "a package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for investments in other equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

The intermediary expenses incurred by the combining party or acquirer in respect of auditing, legal services, valuation and consultancy services, etc., and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with the Accounting Standard for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement (ASBE No. 22) and the additional investment cost.

(3) Subsequent measurement and recognition of profit or loss

(i) Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

(ii) Long-term equity investments accounted for using the equity method

Except for those classified as held-for-sale assets, the Group accounts for the investments in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are adjusted accordingly to the carrying amount of the long-term equity investment, and recognised in the capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognises investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. For the Group's transactions with its associates and joint ventures where assets contributed or sold do not constitute a business, unrealised intra-group profits or losses are recognised as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealised losses resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognising its share of net loss of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the

investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

#### (4) Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, and profit or loss is carried forward proportionately; Other owners' equity recognised from changes of owners' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately.

## 17. Fixed assets

### (1) Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

### (2) Depreciation method

Category	Depreciation method	Depreciation period	Residual value rate	Annual depreciation rate
Transportation equipment	Straight-line method	4 years	5.00%	23.75%
Office equipment and others	Straight-line method	3-5 years	5.00%	19.00%-31.67%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Other explanations:

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and the estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

## 18. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs. Construction in progress is not depreciated.

Construction in progress is transferred to a fixed asset when it is ready for intended use. The criteria and time points for the transfer of various types of construction in progress to fixed assets are as follows:

Category	Criteria of transfer to fixed assets	Time point of transfer to fixed assets
Buildings	Ready for intended use	The earlier of actual commencement of use/completion and acceptance

## 19. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalisation is suspended until the acquisition, construction or production of the asset is resumed. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expenses incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings. During the capitalisation period, exchange differences related to a specific-purpose borrowing denominated in foreign currency are all capitalised. Exchange differences in connection with general-purpose borrowings are recognised in profit or loss for the period in which they are incurred.

## 20. Intangible assets

### (1) Useful life and its determination basis, estimation, amortisation method or review procedures

Intangible assets include land use right, trademarks and software, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortised. Amortisation method, useful life and residual value rate of all intangible assets are as follows:

Category	Amortisation method	Useful life (Years)	Determination basis for useful life	Residual value rate (%)
Land use rights	Straight-line method	30	Term of land use rights	-
Trademarks	Straight-line method	5	Validity period of registration	-
Software	Straight-line method	1-5	As agreed in the contract	-

For intangible assets with finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and makes adjustments when necessary.

### (2) Scope and related accounting treatment of research and development expenditure

Expenditure during the research phase is recognised in profit or loss for the period in which they are incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognised as an intangible asset. Expenditure during development phase that does not meet the following conditions is recognised in profit or loss for the period.

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) the Group has the intention to complete the intangible asset and use or sell it;
- (iii) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (v) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the period. The cost of intangible assets generated in internal development activities only includes the total amount of expenditures from the time point when the capitalisation conditions are met to the time when the

intangible assets reach the intended uses. For the same intangible asset, the expenditures that have been expensed into profit or loss before the capitalisation conditions are met in the development process will not be adjusted.

## 21. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, construction in progress, right-of-use assets and intangible assets with a finite useful life at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on an individual asset basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related asset groups or sets of asset groups, i.e., goodwill is reasonably allocated to the related asset group or set of asset groups expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the asset group or set of asset groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such asset group or set of asset groups, and then to the other assets (other than goodwill) of the asset group or set of asset groups pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the asset group or set of asset groups.

Once an impairment loss of the above-mentioned assets is recognised, it will not be reversed in any subsequent period.

## 22. Long-term prepaid expenses

Long-term prepaid expenses represent expenses that occurred but shall be amortised over one year, mainly including expenditures on renovation of leasehold assets. Long-term prepaid expenses are amortised evenly over the expected beneficial period of 1 to 5 years.

## 23. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract are presented at net amount.

## 24. Employee benefits

### (1) Accounting treatment of short-term employee benefits

In an accounting period in which an employee has rendered services to the Group, the Group recognises the short-term employee benefits for that service as a liability, and the related expenditures are charged to profit or loss for the period or in costs of relevant assets. Employee welfare incurred by the Group is recognised in profit or loss for the period or the costs of relevant assets based on the actual amount when incurred. Non-monetary employee welfare is measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

### (2) Accounting treatment of post-employment benefits

Post-employment benefits are all defined contribution plans.

In an accounting period in which an employee has rendered service to the Group, the amount payable calculated in accordance with the defined contribution plan is recognised as a liability by the Group and charged to profit or loss for the period, or included in cost of related assets.

### (3) Accounting treatment of termination benefits

A liability for a termination benefit is recognised in profit or loss for the period at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognises any related restructuring costs or expenses.

## 25. Provisions

Provisions are recognised when the Group has a present obligation related to a contingency such as products quality assurance, onerous contract and restructuring, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

## 26. Share-based payments

A share-based payment is a transaction in which the Group grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees. The Group's share-based payments include equity-settled share-based payments.

### (1) Equity-settled share-based payments

### Equity-settled share-based payments granted to employees

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognised as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognised as related costs or expenses, with a corresponding adjustment to capital reserve.

### (2) Accounting treatment related to implementation, modification and termination of share-based payment arrangement

In case the Group modifies a share-based payment arrangement, if the modification increases the fair value of the equity instruments granted, the Group will include the incremental fair value of the equity instruments granted in the measurement of the amount recognised for services received. If the modification increases the number of the equity instruments granted, the Group will include the fair value of additional equity instruments granted in the measurement of the amount recognised for services received. The increase in the fair value of the equity instruments granted is the difference between fair value of the equity instruments before and after the modification on the date of the modification. If the Group modifies the terms or conditions of the share-based payment arrangement in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group will continue to account for the services received as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

If cancellation of the equity instruments granted occurs during the vesting period, the Group will account for the cancellation of the equity instruments granted as an acceleration of vesting, and recognise immediately the amount that otherwise would have been recognised over the remainder of the vesting period in profit or loss for the period, with a corresponding recognition in capital reserve. When the employee or counterparty can choose whether to meet the non-vesting condition but the condition is not met during the vesting period, the Group treats it as a cancellation of the equity instruments granted.

## 27. Revenue

### Accounting policies for revenue recognition and measurement disclosed by business types

The Group recognises revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers distinct goods or services to a customer in the contract.

The Group assesses a contract at contract inception, identifies each separate performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or at a point in time. It is a performance obligation satisfied over time and the Group recognises revenue over time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilisation, and the Group is entitled to collect amounts

of cumulative performance part which have been done up to now. Otherwise, revenue is recognised at a point in time when the customer obtains control over the relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer. In determining the transaction price, the Group considers such factors as variable consideration, significant financing components in the contract, non-cash consideration and consideration payable to customers.

If there are two or more of performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each separate performance obligation based on the proportion of stand-alone selling price of goods or services promised in separate performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not all) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Group determines the best estimate of the variable consideration based on the expected value or most probable amount. The transaction price that includes variable consideration does not exceed the amount for which it is highly probable that there will be no significant reversal of the revenue recognised in the aggregate when the related uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration to be included in the transaction price.

For sales that are affixed with terms of sales return, as the customer obtains control of related goods, the Group recognises revenue based on the consideration (excluding expected refund amounts due to sales returns) that the Group is expected to charge due to the transfer of goods to the customer, and recognises liabilities based on the expected refund amounts due to sales returns. Meanwhile, the carrying amount at the time of transfer of goods expected to be returned, subsequent to deduction of expected costs from collecting the goods (including the decrease in value of the returned goods), is recognised as an asset and carried forward to cost at the carrying amount at which goods are transferred, net of the cost of asset.

For sales with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a separate performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies.

The additional purchase options of customers include sale incentive measures, award credits for customers, and etc. The Group regards the additional purchase option, which provides significant right to the customer, as a separate performance obligation, and recognises revenue when the customer exercises the purchase option to acquire the control over relevant goods or services in the future, or when the option loses effect. Where the stand-alone selling price of the additional purchase option of customers cannot be observed directly, the Group makes an estimate considering all the relevant information including the difference in discount when the customer exercises or does not exercise the option, and the possibility of the customer to exercise the option.

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent at the time of the transaction. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of the total consideration received or receivable after deducting the prices payable to other related parties.

Where the Group receives receipts in advance from a customer for sales of goods or rendering of services, the amount is first recognised as a liability and then transferred to revenue when the related performance obligation has been satisfied. When the Group's receipts in advance are not required to be refunded and it is probable that the customer will waive all or part of its contractual rights, the Group recognises the said amounts as revenue on a pro-rata basis in accordance with the pattern of exercise of the customer's contractual rights, if the Group expects to be entitled to the amounts relating to the contractual rights waived by the customer; otherwise, the Group reverses the related balance of the said liabilities to revenue only when it is highly unlikely that the customer will require performance of the remaining performance obligations.

The Group's specific revenue recognition methods are as follows:

The principal business of the Group is to retail goods to customers using the self-operated model through off-line direct-operated stores, off-line joint-operated stores and online e-commerce platforms. The Group recognises revenue at the point in time when the customers sign the receipts on the basis of comprehensive consideration of the following factors: the current right to receive the goods, the transfer of the main risks and rewards of the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of the physical assets of the goods, and the customer's acceptance of the goods.

The Group determines whether it is a principal or an agent at the time of the transaction based on whether it owns the "control" of the goods or services before the transfer of such goods or services to the customer. The Group has considered the legal form of the contract and relevant facts and circumstances (the main responsibility for transferring the goods to the customer, the inventory risk assumed before or after the transfer of the goods, whether the Group has the right to determine the price of the traded goods independently, etc.), and believes that the Group undertakes the main responsibility for transferring the goods to the customer, has the right to determine the price of the traded goods independently, and assumes the inventory risk, therefore, the Group is the principal under the self-operated business model. Revenue is recognised according to the total amount of consideration received or receivable when the goods is received by the customer.

The Group adopts a loyalty points program, granting customers with loyalty points upon the sale of the goods, which may be redeemed within 12 months to offset the selling price of goods, gifts, or vouchers they purchase. On the basis of the relative proportion between the stand-alone selling price of the good and loyalty points, the payment for goods sold is allocated between the sale of goods and the loyalty points awarded to customers. The portion related to the loyalty points is recognised as a contract liability before being carried forward to revenue when the loyalty points are redeemed or expired.

Different revenue recognition methods and measurement methods involved in different operating models adopted by similar businesses

The Group has no different revenue recognition methods and measurement methods involved in different operating models adopted by similar businesses

The Company is required to comply with the disclosure requirements for "Retail business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

The Company is required to comply with the disclosure requirements for "Jewelry-related business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

## 28. Contract costs

### (1) Costs of obtaining contracts

If the incremental cost (cost that will not occur if no contract obtained) incurred for obtaining the contract is expected to be recovered, the Group recognises it as an asset and the asset shall be amortised on a basis that is consistent with the revenue recognition of the goods to which the asset relates and recognised in profit or loss for the period. If the amortisation period of the asset does not exceed one year, it is recognised in profit or loss for the period when incurred. Other expenses incurred by the Group for obtaining the contract are recognised in profit or loss for the period when incurred, except for those explicitly assumed by the customer.

### (2) Costs to fulfil contracts

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: 1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; 2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and 3) the costs are expected to be recovered. The asset mentioned above shall be amortised on a basis that is consistent with the revenue recognition of the goods to which the asset relates and recognised in profit or loss for the period.

### (3) Impairment losses of assets related to contract costs

In determining the impairment losses of assets related to contract costs, the Group first determines the impairment losses of other assets related to contracts recognised in accordance with other ASBES; then, for assets related to contract costs, if the carrying amount of the assets is higher than the difference between: (1) the remaining consideration that the Group expects to obtain for the transfer of the goods or services related to the asset; and (2) the estimated costs to be incurred for the transfer of the related goods or services, any excess is provided for impairment and recognised as impairment losses of assets.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and recognised in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

## 29. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value; If the fair value cannot be reliably

determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

(1) Determination basis and accounting treatment of government grants related to assets

Grants related to forming of long-term assets included in the Group's government grants is classified as a government grant related to an asset.

A government grant related to an asset is recognised as deferred income based on the nature of economic activities, and evenly amortised to profit or loss over the useful life of the related asset with a reasonable and systematic method.

(2) Determination basis and accounting treatment of government grants related to income

Subsidies for rents and job stabilisation included in the Group's government grants are government grants related to income as no long-term assets will be formed by these grants. The Group classifies government grants that are difficult to be distinguished as government grants related to income aggregately.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income over the periods in which the related costs or losses are recognised; If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss.

A government grant related to the Group's daily activities is recognised in other income based on the nature of economic activities. A government grant not related to the Group's daily activities is recognised in non-operating income.

### 30. Deferred tax assets/Deferred tax liabilities

Income tax expenses include current income tax and deferred income tax.

(1) Current income tax

At the balance sheet date, current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

(2) Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax is generally recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the

accounting profit nor taxable income (or deductible losses) and does not give rise to equal taxable temporary differences and deductible temporary differences at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable income against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in owners' equity, in which case they are recognised in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable income will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable income will be available.

### (3) Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

## 31. Leases

### Accounting treatment for leases as the lessee

#### (1) Separating components of a lease

If the contract contains one or more lease and non-lease components, the Group will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

## (2) Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognises a right-of-use asset. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Group measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- (i) the amount of the initial measurement of the lease liabilities;
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the Group;
- (iv) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 - Fixed Assets. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with Accounting Standards for Business Enterprises No. 8 - Impairment of Assets.

## (3) Lease liabilities

Except for short-term leases and leases of low-value assets, the Group initially measures lease liabilities at the present value of the outstanding lease payments at the commencement date. In calculating the present value of the lease payments, the Group uses the implicit interest rate of the lease as the discount rate. If it is not possible to determine the implicit interest rate of the lease, the incremental borrowing rate shall be applied.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- (i) fixed payments and in-substance fixed payments, less any lease incentives receivable (if any);
- (ii) variable lease payments that depend on an index or a rate;
- (iii) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (iv) payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- (v) amounts expected to be paid under residual value guarantees provided by the Group.

After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on a fixed periodic rate, and recognises such expenses in profit or loss or costs of related assets.

After the commencement date of the lease, the Group remeasures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognise the difference in profit or loss for the period:

- (i) there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- (ii) there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group re-measures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate. If the change of lease payment comes from the change of floating interest rate, the revised discount rate shall be used to calculate the present value.

(4) Determination basis and accounting treatment of short-term leases and leases of low-value assets treated under a simplified method as lessee

The Group chooses not to recognise right-of-use assets and lease liabilities for short-term leases of buildings and other equipment and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low-value assets is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

(5) Lease modifications

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

- (i) the lease modification expanded the scope of the lease by adding the right-of-use of one or more lease assets; and
- (ii) The increased consideration is equivalent to the amount of stand-alone price of the expanded lease scope adjusted according to the contract.

If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and remeasures the lease liabilities at the present value of revised lease payment discounted at revised discount rate.

If the lease modification results in a reduction in the lease scope or lease term, the carrying amount of the right-of-use assets will be reduced, and the gains or losses relevant to the lease partially or fully terminated will be included in profit or loss for the period; for other lease modifications resulting in the remeasurement of lease liabilities, the carrying amount of right-of-use assets is adjusted accordingly.

## 32. Other significant accounting policies and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(1) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

(i) Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

(ii) Whether a contract is, or contains, a lease

The Group entered into a service agreement under Offline Joint-Operated business model. The Group believes that, based on the agreement, there is an identified asset and the Group controls the right to use the asset during the lease period. Therefore, the service agreement contains a lease and the Group treats it as a lease.

(2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

(i) Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may not be representative of the actual impairment loss in the future.

(ii) Impairment of non-current assets other than financial assets

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Section VIII, Note VII, 14. Right-of-use assets.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable income together with future tax planning strategies.

(iv) Loyalty points

The Group makes reasonable estimate of the stand-alone selling price of the loyalty points for contract consideration allocation by taking into account all relevant information, such as the stand-alone selling prices for the customer to acquire additional free goods or services or the discounts enjoyed by the customer using the loyalty points and the possibility for the customer to exercise the

redemption right. The Group considers the likelihood for the customer to exercise the redemption right based on the historical data of point redemption, the current point redemption and the future changes of customer demands, the future trend of the market and other factors. The Group re-evaluates the estimated redemption rate of loyalty points at least on each balance sheet date and calculates the amounts of revenue and balance that should be recognised for considerations related to loyalty points based on the re-evaluation results.

(v) Provision for decline in value of inventories determined on net realisable value

The Group measures the inventories at the lower of cost and net realisable value in accordance with the accounting policies for inventories. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. The Group re-estimates at each balance sheet date whether the net realisable value of individual inventory items is lower than the cost of inventory.

(vi) Fair value of wealth management products and structured deposits

For wealth management products and structured deposits measured at fair value, the Group needs to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

(vii) Provisions for store recovery

As the lessee, the Group undertakes the obligation to restore the leased assets to the state agreed in the lease terms in accordance the lease contract. The management estimates provisions arising from the fulfilment of recovery obligations based on industry conditions and historical experience. At the balance sheet date, management reviews and adjusts provisions appropriately at each balance sheet date to reflect the current best estimate.

(viii) Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

(ix) Fair value hedges

The changes in fair value of hedging derivatives are recognised in profit or loss for the period. Where the hedged item is an unrecognised firm commitment, the cumulative changes in fair value of such firm commitment attributable to hedged risks are recognised as an asset or liability, with related gains or losses recognised in profit or loss for the period.

### **33. Changes in material accounting policies and accounting estimates**

#### **(1) Changes in material accounting policies**

Applicable Not applicable

#### **(2) Changes in significant accounting estimates**

Applicable Not applicable

#### **(3) Adjustments to opening balance sheet items upon initial application of new accounting standards effective from 2025**

Applicable Not applicable

## VI. Taxation

### 1. Major categories of taxes and tax rates

Category of taxes	Tax basis	Tax rate
Value-added tax ("VAT")	Difference between sales amount and output VAT calculated at applicable tax rate after deducting input VAT allowed to be deducted	3%, 6%, 13%, 20%, 21%
Consumption tax	Sales of taxable consumer goods (ad valorem)	5%
Urban maintenance and construction tax	VAT and consumption tax actually paid	5%, 7%
Corporate income tax	Taxable income	15%, 16.5%, 17%, 19%, 20%, 21%, 24%, 25%
Education surcharge	VAT and consumption tax actually paid	3%
Local education surcharge	VAT and consumption tax actually paid	2%

Disclosure of information on taxpayers with different corporate income tax rates

Taxpayers	Income tax rate
Shenzhen Darry Commercial Management Service Co., Ltd., He'er Culture (Hainan) Co., Ltd., Shenzhen Love Only AI Cloud Technology Co., Ltd., DR Jewelry, Garland International	15%
DR Group Company Limited, DARRY JEWELRY (HK) LIMITED, Couple Only Jewelry Hong Kong Company Limited, LOVEMONT HONG KONG LIMITED	16.5%
DR LUXURY(SINGAPORE) PTE. LTD.	17%
DR Luxury Netherlands Holding B.V.	19%
DR LUXURY USA INC	21%
LOVEMONT (MALAYSIA) SDN. BHD	24%
DR Corporation Limited, Shanghai Darry Diamond Co., Ltd., Haoduo Diamond (Shenzhen) Co., Ltd.	25%
Other subsidiaries of the Group incorporated in Chinese mainland	20%

### 2. Tax benefits

#### (1) Income tax benefits

According to the provisions of Notice of the Ministry of Finance and the State Taxation Administration on Extending the Preferential Policies for Corporate Income Tax in the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Cai Shui [2021] No. 30), from 1 January 2021 to 31 December 2025, the corporate income tax policy of the Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be continued, and eligible enterprises located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone will be subject to corporate income tax at a reduced rate of 15%. Shenzhen Darry Commercial Management Service Co., Ltd., a subsidiary of the Group, is established in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, and is subject to corporate income tax at a reduced rate of 15% in 2025.

According to the provisions of the Notice by the Ministry of Finance and the State Taxation Administration of Continuing the Implementation of the Preferential Income Tax Policies for Enterprises in Hainan Free Trade Port (Cai Shui [2025] No. 3), in order to support the development of the Hainan Free Trade Port, relevant corporate income tax preferential policies will continue to apply to enterprises in encouraged industries that are registered in the Hainan Free Trade Port and conduct substantive operations there, with the implementation period extended until 31 December 2027. In accordance with the above provisions, the subsidiary of the Group, He'er Culture (Hainan) Co., Ltd., is subject to corporate income tax at a reduced rate of 15% in 2025.

Shenzhen Love Only AI Cloud Technology Co., Ltd., a subsidiary of the Group, obtained the qualification of high-tech enterprise on 16 October 2023, which is valid for three years. According to the provisions of the Corporate Income Tax Law of the People's Republic of China, Shenzhen Love Only AI Cloud Technology Co., Ltd. is subject to a corporate income rate of 15% in 2025.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (No. 12 of 2023), from 1 January 2023 to 31 December 2027, the taxable income of small and low profit enterprises shall be calculated at a reduced rate of 25%, and the corporate income tax shall be calculated and paid at a rate of 20%, those policies will remain in effect until 31 December 2027. Certain subsidiaries of the Group meet the criteria for small and low profit enterprises in 2025 and independently apply the corresponding tax reduction and exemption policies.

## (2) VAT tax benefits

According to the Notice of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Adjusting the Relevant Tax Policies of the Diamond and Shanghai Diamond Exchange (Cai Shui [2006] No. 65), polished diamonds imported through the customs declaration of the competent customs of Shanghai Diamond Exchange shall be levied and refunded immediately if the actual VAT burden exceeds 4% at the import stage. Shanghai Darry Diamond Co., Ltd. (hereinafter referred to as "Shanghai Darry"), a subsidiary of the Group, has the membership of the Shanghai Diamond Exchange and enjoys the tax treatment of immediate refund for the part of the actual VAT burden in the import process exceeding 4% from January to October 2025.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Value-Added Tax Reduction and Exemption Policies for Small-Scale Value-Added Tax Taxpayers (Announcement No. 19 of 2023 of the Ministry of Finance and the State Taxation Administration), small-scale VAT taxpayers with monthly sales of less than RMB100,000 (inclusive) are exempted from VAT; for small-scale VAT taxpayers subject to taxable sales income at a levy rate of 3%, a reduced levy rate of 1% will be applied; for items subject to a 3% pre-levy rate, the prepayment VAT at a reduced pre-levy rate of 1% will be applied. Some of the Company's branches are small-scale taxpayers and meet the above standards, and are entitled to VAT exemption/reduction in 2025.

## (3) Additional tax incentives

According to the Circular of the Ministry of Finance and the State Taxation Administration on Expanding the Scope of Exemption for Relevant Government Funds (Cai Shui [2016] No. 12), the scope of obligors exempted from education fee surcharge, local education surcharge and water conservancy construction fund will be expanded from those paying monthly tax with monthly sales or turnover not exceeding RMB30,000 (quarterly sales or turnover not exceeding RMB90,000 for those paying quarterly tax) to taxpayers paying monthly tax with monthly sales or turnover not exceeding RMB100,000 (quarterly sales or turnover not exceeding RMB300,000 for those paying quarterly tax). Some branches of the Company meet the above standards and are exempt from education surcharge, local education surcharge and water conservancy construction funds in 2025.

According to Provision II of the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 of 2023 of the State Taxation Administration of the Ministry of Finance), from 1 January 2023 to 31 December 2027, small-scale tax taxpayers of value-added tax, small and low profit enterprises and individual industrial and commercial enterprises may be subject to the 50% reduced rate of resource tax (excluding water resources tax, urban maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding securities transaction stamp tax), farmland occupation tax, education surcharge and local education surcharge. Some of the Company's branches meet the above standards, and thus are subject to the 50% reduced rate of urban maintenance and construction tax, stamp tax (excluding securities transaction stamp tax), education surcharge and local education surcharge in 2025.

## VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and bank balances

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	216,269.95	115,321.08
Cash at banks	183,970,828.88	136,015,250.10
Others	71,265,951.22	3,659,373.86
Total	255,453,050.05	139,789,945.04
Including: Total amount deposited overseas	41,948,523.04	8,914,267.89

Other descriptions:

As at 31 December 2025 and 31 December 2024, there are restrictions on the ownership or right of use the cash and bank balances of the Group. Refer to Section VIII, Note VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS, 19. Assets with restricted ownership or right of use.

### 2. Held-for-trading financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at FVTPL	4,614,532,944.58	4,579,301,487.22
Including:		
Structured deposits	20,055,642.28	108,046,531.50
Wealth management products	4,594,477,302.30	4,471,254,955.72
Including:		
Total	4,614,532,944.58	4,579,301,487.22

Other descriptions:

### 3. Accounts receivable

#### (1) Disclosed by ageing

Unit: RMB

Ageing	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Within 1 year, inclusive	79,003,957.62	83,151,605.84
1 to 2 years	437,256.15	583,134.16
Total	79,441,213.77	83,734,740.00

#### (2) Disclosed by method of determining allowances for bad debts

Unit: RMB

Category	Closing balance	Opening balance
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	Gross carrying amount		Allowances for bad debts		Carrying amount	Gross carrying amount		Allowances for bad debts		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Accounts receivable for which allowances for bad debts are made on an individual basis	408,029.00	0.51%	408,029.00	100.00%	0.00					
Including:										
Accounts receivable for which allowances for bad debts are made on a portfolio basis	79,033,184.77	99.49%	2,801,596.19	3.54%	76,231,588.58	83,734,740.00	100.00%	2,821,665.03	3.37%	80,913,074.97
Including:										
Accounts receivable from POS terminals and e-commerce platforms	28,249,605.52	35.56%			28,249,605.52	31,169,350.11	37.22%			31,169,350.11
Accounts receivable from shopping malls	50,783,579.25	63.93%	2,801,596.19	5.52%	47,981,983.06	52,565,389.89	62.78%	2,821,665.03	5.37%	49,743,724.86
Total	79,441,213.77	100.00%	3,209,625.19	4.04%	76,231,588.58	83,734,740.00	100.00%	2,821,665.03	3.37%	80,913,074.97

Allowances for bad debts made on an individual basis: 408,029.00

Unit: RMB

Name	Opening balance		Closing balance			
	Gross carrying amount	Allowances for bad debts	Gross carrying amount	Allowances for bad debts	Proportion of provision	Reasons for provision
Company 6	408,029.00		408,029.00	408,029.00	100.00%	Recovery is not expected due to the counterparty's loss of contact
Total	408,029.00		408,029.00	408,029.00		

Allowances for bad debts made on a portfolio basis: 2,801,596.19

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Allowances for bad debts	Proportion of provision
Accounts receivable from POS terminals and e-commerce platforms	28,249,605.52		
Accounts receivable from shopping malls	50,783,579.25	2,801,596.19	5.52%
<b>Total</b>	<b>79,033,184.77</b>	<b>2,801,596.19</b>	

Description of the basis for determining the portfolios:

If the Group recognises allowances for bad debts based on the ECL general model:

Applicable Not applicable

Unit: RMB

Allowances for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECLs (not credit-impaired)	Lifetime ECLs (credit impaired)	
Balance at 1 January 2025		2,821,665.03		2,821,665.03
Balance at 1 January 2025 made in the current period				
Provision for the period		861,007.77	408,029.00	1,269,036.77
Reversal for the period		879,901.14		879,901.14
Other changes		-1,175.47		-1,175.47
Balance at 31 December 2025		2,801,596.19	408,029.00	3,209,625.19

Basis for the division of each stage and provision ratio for allowances for bad debts

Description of significant changes in gross carrying amount of accounts receivable with changes in loss allowance for the current period:

### (3) Allowances for bad debts provided, recovered or reversed for the current period

Allowances for bad debts for the current period:

Unit: RMB

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Recognised on an individual basis		408,029.00				408,029.00
Recognised on a portfolio basis	2,821,665.03	861,007.77	879,901.14		-1,175.47	2,801,596.19
<b>Total</b>	<b>2,821,665.03</b>	<b>1,269,036.77</b>	<b>879,901.14</b>		<b>-1,175.47</b>	<b>3,209,625.19</b>

Including: material recovery or reversal of allowances for bad debts for the current period:

Unit: RMB

Name	Amount recovered or reversed	Reasons for reversal	Methods for reversal	The basis and rationality of determining the ratio for original allowances for bad debts

There were no material recovery or reversal of allowances for bad debt in 2025.

#### (4) The top 5 largest accounts receivable and contract assets at the end of the period categorised by debtor

Unit: RMB

Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of total closing balance of accounts receivable and contract assets	Closing balance of provision for impairment of accounts receivable and contract assets
Company 1	8,754,048.91		8,754,048.91	11.02%	
Company 2	7,492,608.14		7,492,608.14	9.43%	
Company 3	4,454,230.64		4,454,230.64	5.61%	
Company 4	2,690,748.91		2,690,748.91	3.39%	145,037.31
Company 5	2,358,373.76		2,358,373.76	2.97%	
Total	25,750,010.36		25,750,010.36	32.42%	145,037.31

#### 4. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	6,849,519.33	5,861,059.14
Total	6,849,519.33	5,861,059.14

##### (1) Other receivables

##### 1) Other receivables categorised by nature

Unit: RMB

Nature	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Social insurances and housing fund borne by employees	4,117,484.46	4,147,653.59
Temporary loans for employees	671,611.11	269,116.67
Others	2,060,423.76	3,349,288.88
Total	6,849,519.33	7,766,059.14

**2) Disclosed by ageing**

Unit: RMB

Ageing	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Within 1 year, inclusive	5,077,253.47	5,642,738.35
1 to 2 years	1,572,194.14	218,320.79
2 to 3 years	200,071.72	
Over 3 years		1,905,000.00
3 to 4 years		1,905,000.00
Total	6,849,519.33	7,766,059.14

**3) Disclosed by method of determining allowances for bad debts**Applicable Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Allowances for bad debts		Carrying amount	Gross carrying amount		Allowances for bad debts		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Allowances for bad debts made on an individual basis						1,905,000.00	24.53%	1,905,000.00	100.00%	
Including:										
Allowances for bad debts made on a portfolio basis	6,849,519.33	100.00%			6,849,519.33	5,861,059.14	75.47%			5,861,059.14
Including:										
Total	6,849,519.33	100.00%			6,849,519.33	7,766,059.14	100.00%	1,905,000.00	24.53%	5,861,059.14

Allowances for bad debts made on an individual basis

Unit: RMB

Name	Opening balance		Closing balance			
	Gross carrying amount	Allowances for bad debts	Gross carrying amount	Allowances for bad debts	Proportion of provision	Reasons for provision
Company 13	1,905,000.00	1,905,000.00				The counterparty's financial situation has

						deteriorated, and it is unlikely that the receivable will be recovered
Total	1,905,000.00	1,905,000.00				

Allowances for bad debts based on the ECL general model:

Unit: RMB

Allowances for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL (not credit-impaired)	Life-time ECL (credit-impaired)	
Balance at 1 January 2025			1,905,000.00	1,905,000.00
Balance at 1 January 2025 made in the current period				
Write-off			1,905,000.00	1,905,000.00
Balance at 31 December 2025			0.00	0.00

Basis for the division of each stage and provision ratio for allowances for bad debts

Changes in outstanding balance with significant changes in the amount of allowances for bad debts in the current period

Applicable Not applicable

#### 4) Allowances for bad debts provided, recovered or reversed for the current period

Allowances for bad debts for the current period:

Unit: RMB

Category	Opening balance	Changes for the period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Allowances for bad debts made on an individual basis	1,905,000.00			1,905,000.00		
Total	1,905,000.00			1,905,000.00		

Including: material recovery or reversal of allowances for bad debts for the current period:

Unit: RMB

Name	Amount recovered or reversed	Reasons for reversal	Methods for reversal	The basis and rationality of determining the ratio for original allowances for bad debts

**5) Other receivables actually written off in the current period**

Unit: RMB

Item	Write-off amount
Company 13	1,905,000.00

Including: material write-off of other receivables

Unit: RMB

Name	Nature of other receivables	Write-off amount	Reasons for write-off	Write-off procedures fulfilled	Whether the amount is derived from related party transactions

Description of the write-off of other receivables:

There was no write-off of other receivables in a large amount in this year.

**6) The top 5 largest other receivables at the end of the period categorised by debtor**

Unit: RMB

Name	Nature of the amount	Closing balance	Ageing	Proportion of total closing balance of other receivables	Closing balance of allowances for bad debts
Company 12	Others	1,504,500.00	1 to 2 years	21.97%	
Employee.1	Temporary loans for employees	200,000.00	Over 2 years	2.92%	
Employee.2	Temporary loans for employees	110,000.00	Within 1 year	1.61%	
Employee.3	Temporary loans for employees	60,000.00	Within 1 year	0.88%	
Employee.4	Temporary loans for employees	32,000.00	Within 1 year	0.47%	
Total		1,906,500.00		27.85%	

**5. Prepayments****(1) Prepayments presented by ageing**

Unit: RMB

Ageing	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	42,250,728.12	94.53%	28,998,178.45	91.19%
1 to 2 years	2,444,066.24	5.47%	2,801,787.43	8.81%
Total	44,694,794.36		31,799,965.88	

Description of the reason why significant prepayments aged over one year were not settled in time:

As at 31 December 2025, the Group had no significant prepayments aged over one year (31 December 2024: nil).

**(2) The top 5 largest prepayments at end of year categorised by receivers**

Unit: RMB

Name	Closing balance	Proportion of total closing balance of prepayments	Remark
Company 7	8,771,306.75	19.62	Payment for goods
Company 8	4,154,759.95	9.30	Payment for goods
Company 9	2,558,067.09	5.72	Business promotion fees
Company 10	1,036,204.71	2.32	Business promotion fees
Company 11	951,258.30	2.13	Business promotion fees
Total	17,471,596.80	39.09	

Other descriptions:

**6. Inventories**

Whether the Company needs to follow the disclosure requirements for the real estate industry

No

**(1) Category of inventories**

Unit: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories or provision for impairment of costs to fulfil a contract	Carrying amount	Gross carrying amount	Provision for decline in value of inventories or provision for impairment of costs to fulfil a contract	Carrying amount
Raw materials	192,844,152.56	3,821,724.61	189,022,427.95	82,644,133.19	12,258,810.26	70,385,322.93
Goods on hand	470,237,805.06		470,237,805.06	347,801,731.14	6,892,108.12	340,909,623.02
Reusable materials	6,386,710.32		6,386,710.32	4,325,395.02		4,325,395.02
Goods delivered	285,517.56		285,517.56	353,284.04		353,284.04
Semi-finished goods	27,627,358.08		27,627,358.08	16,540,227.01		16,540,227.01
Materials on consignment for further processing	14,311,304.91		14,311,304.91	14,939,812.78		14,939,812.78
Total	711,692,848.49	3,821,724.61	707,871,123.88	466,604,583.18	19,150,918.38	447,453,664.80

The Company is required to comply with the disclosure requirements for "Jewelry-related business" stipulated in the Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Industry Information Disclosure.

## Distribution of inventories at the end of reporting period

Currency: RMB10 thousand Yuan

Item	Gross carrying amount at the end of the period of inventories						
	Semi-finished goods	Goods on hand	Materials on consignment for further processing	Raw materials	Reusable materials	Goods delivered	Total
Karat gold jewelry	1,931.69	35,054.58	56.07	-	-	8.74	37,051.09
Platinum jewelry	812.75	6,483.22	39.09	-	-	19.20	7,354.26
Gold jewelry	7.56	5,157.56	8.84	-	-	0.30	5,174.27
Diamond	-	-	1,324.29	10,669.46	-	-	11,993.75
Platinum	-	-	-	5,382.69	-	-	5,382.69
Gold	-	-	-	3,140.84	-	-	3,140.84
Reusable materials	-	-	-	-	638.67	0.31	638.98
Others	10.73	328.41	2.84	91.43	-	-	433.41
Total	2,762.74	47,023.78	1,431.13	19,284.42	638.67	28.55	71,169.28

Note: The values above are rounded to two decimal places. Minor discrepancies may exist in the values' trailing digits, which are due to rounding and not calculation errors.

**(2) Provision for decline in value of inventories and provision for impairment of costs to fulfil a contract**

Unit: RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	12,258,810.26	5,675,644.86		14,112,730.51		3,821,724.61
Goods on hand	6,892,108.12			6,892,108.12		
Total	19,150,918.38	5,675,644.86		21,004,838.63		3,821,724.61

The reversal of inventory provisions during the year was due to the sale or disposal of the related inventory items.

Provision for decline in value of inventories which is assessed on a portfolio basis

Unit: RMB

Name of portfolio	Closing balance			Opening balance		
	Closing balance	Provision for decline in value	Provision ratio for decline in value	Opening balance	Provision for decline in value	Provision ratio for decline in value
Raw materials	192,844,152.56	3,821,724.61	1.98%	82,644,133.19	12,258,810.26	14.83%
Goods on hand	470,237,805.06			347,801,731.14	6,892,108.12	1.98%
Total	663,081,957.62	3,821,724.61	0.58%	430,445,864.33	19,150,918.38	4.45%

The standard of provision for decline in value of inventories which is assessed on a portfolio basis

For finished goods on regular sale, the net realisable value of the inventory is the estimated selling price of the inventory less the estimated selling expenses and related taxes. For inventories of materials subject to processing, the net realisable value of

inventories is the estimated selling price of the finished goods produced less the estimated costs of completion, estimated selling expenses and related taxes. For finished goods to be disposed of and removed from shelves, the net realisable value of the inventory is the amount of gold and loose stone recovered after melting. For materials used for sale, the net realisable value of the inventory is the estimated selling price of the inventory less the estimated selling expenses and related taxes.

The reason for write-off of the provision for decline in value of inventories is that goods on hand have been sold or the provision for decline in value of inventories corresponding to the write-off has been disposed of.

## 7. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Debt investments due within one year	585,063,746.01 <sup>1</sup>	368,696,594.82
Lease deposits due within one year	46,388,027.29	66,943,416.02
Allowances for bad debts of non-current assets due within one year	-1,609,991.37	-2,154,648.67
<b>Total</b>	<b>629,841,781.93</b>	<b>433,485,362.17</b>

Note 1: As at 31 December 2025, the debt investments refer to large-denomination certificates of deposit purchased by the Group with a maturity within one year (from February to August 2026) and a deposit interest rate of 2.95% to 3.30% ((31 December 2024: the maturity is from February to December 2025 and deposit interest rate is 3.13% to 3.55%). The Group's business model for managing the financial assets is to collect contractual cash flows; therefore, those financial assets are subsequently measured at amortised cost.

### (1) Debt investments due within one year

Applicable Not applicable

#### 1) Debt investments due within one year

Unit: RMB

Name	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Large-denomination certificates of deposit with a term of more than one year and due within one year	585,063,746.01		585,063,746.01	368,696,594.82		368,696,594.82
<b>Total</b>	<b>585,063,746.01</b>		<b>585,063,746.01</b>	<b>368,696,594.82</b>		<b>368,696,594.82</b>

Changes in provision for impairment of debt investments due within one year in the current period

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
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**2) Important debt investments due within one year at the end of the period**

Unit: RMB

Item	Nominal value	Coupon rate	Maturity date	Effective interest rate		Overdue principal	
				Closing balance	Opening balance	Closing balance	Opening balance
Large-denomination certificates of deposit at China CITIC Bank	200,000,000.00	3.30%	1 March 2026	3.30%			
Large-denomination certificates of deposit at China Everbright Bank	150,000,000.00	3.25%	14 March 2026	3.25%			
Large-denomination certificates of deposit at China Minsheng Bank	100,000,000.00	3.05%	6 February 2026	3.05%			
<b>Total</b>	<b>450,000,000.00</b>						

**8. Other current assets**

Unit: RMB

Item	Closing balance	Opening balance
Right-of-return assets	371,514.75	335,071.94
Wealth management products with fixed income	87,285,227.42	150,009,254.44
Input VAT to be certified, deducted, and retained	41,150,020.37	3,849,073.12
Prepaid income tax	108,591.08	12,106.84
Prepaid expenses	15,290,265.86	7,997,817.26
<b>Total</b>	<b>144,205,619.48</b>	<b>162,203,323.60</b>

Note 1: The principal guaranteed fixed income wealth management products held by the Group are mainly 7-day treasury bond reverse repurchases purchased by the Group and 1-year time deposits. As at 31 December 2025 and 31 December 2025, the Group considered that there was no significant credit risk in treasury bond reverse repurchase and time deposits, and there would be no significant credit losses due to default of financial institutions, so no allowance for bad debts was made.

Other descriptions:

## 9. Debt investments

### (1) Details of debt investments

Unit: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Large-denomination certificates of deposit with a maturity of more than one year	20,913,414.28 <sup>1</sup>		20,913,414.28	569,885,924.01		569,885,924.01
Total	20,913,414.28		20,913,414.28	569,885,924.01		569,885,924.01

Notes 1: (1) As at 31 December 2025, debt investment is primarily comprised of large-denomination certificates of deposit purchased by the Group with a maturity of more than one year (due in May 2027) and a deposit interest rate of 3.00% (31 December 2024: the maturity is from February 2026 to May 2027 and a deposit interest rate of 3.00% to 3.30%). The Group's business model for managing the financial assets is to collect contractual cash flows; therefore, those financial assets are subsequently measured at amortised cost. (2) As at 31 December 2025 and 31 December 2024, the Group considered that the large-denomination certificates of deposit were not subject to significant credit risk and would not cause significant credit losses due to default of financial institutions, so no allowance for bad debts was made.

The movements in provision for impairment of debt investments

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
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### (2) Important debt investments at the end of the period

Unit: RMB

Item	Closing balance					Opening balance				
	Nominal value	Coupon rate	Effective interest rate	Maturity date	Overdue principal	Nominal value	Coupon rate	Effective interest rate	Maturity date	Overdue principal
Large-denomination certificates of deposit at Bank of Ningbo	20,000,000.00	3.00%	3.00%	21 May 2027						
Large-denomination certificates of						100,000,000.00	3.30%	3.30%	6 February 2026	

deposit at China Minsheng Bank										
Time deposits at China Everbright Bank						150,000,000.00	3.25%	3.25%	1 March 2026	
Large-denomination certificates of deposit of China CITIC Bank						200,000,000.00	3.30%	3.30%	14 March 2026	
Total	20,000,000.00					450,000,000.00				

Note 1: Non-current assets reclassified to current assets due within one year as of December 31, 2025. **10. Long-term equity investments**

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Changes for the year							Closing balance (carrying amount)	Closing balance of provision for impairment	
			Addition	Reduction	Investment profit or loss recognized under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Provision for impairment loss			Others
I. Joint venture												
II. Associates												
Palace (Beijing) Jewelry Co., Ltd. <sup>1</sup>			40,000,000.00		-2,016,446.37						37,983,553.63	
Airike (Shenzhen) Jewelry Co., Ltd.			1,200,000.00		-365,444.23						834,555.77	
Subtotal			41,200,000.00		-2,381,890.60						38,818,109.40	
Total			41,200,000.00		-2,381,890.60						38,818,109.40	

Note: 1 On 2 April 2025, the Group invested RMB20 million in Palace (Beijing) Jewelry Co., Ltd. ("Palace Jewelry") due to business development demands, acquiring 40.00% equity interest in Palace Jewelry. On 22 October 2025, the Group and two other shareholders of Palace Jewelry increased their capital in proportion to their original shareholding ratio, investing an additional

RMB20 million in Palace Jewelry. After this capital increase, the Group's equity interest in Palace Jewelry remained at 40.00%.

The recoverable amount is the net amount of fair value less costs to disposal.

Applicable Not applicable

Recoverable amount is determined according to the present value of expected future cash flows

Applicable Not applicable

Reasons for notable differences between the foregoing information and information or external information used for impairment testing in prior year

Reasons for notable differences between the information used for impairment testing in prior year by the Company and actual conditions in that year

Other descriptions:

## 11. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at FVTPL	309,215,157.75	403,675,066.37
Total	309,215,157.75	403,675,066.37

Other descriptions:

As at 31 December 2025, other non-current financial assets were mainly long-term wealth management products purchased by the Group.

## 12. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	5,614,795.86	8,468,744.76
Total	5,614,795.86	8,468,744.76

### (1) Fixed assets

Unit: RMB

Item	Transportation equipment	Office equipment and others	Total
I. Original book value:			
1. Opening balance	5,074,321.53	25,381,663.32	30,455,984.85
2. Increase		1,578,971.86	1,578,971.86
(1) Purchases		1,581,667.66	1,581,667.66
(2) Transfers from			

construction in progress			
(3) Increase from business combinations			
(4) Exchange differences on translation of financial statements denominated in foreign currency		-2,695.80	-2,695.80
3. Decrease		689,241.93	689,241.93
(1) Disposal or retirement		689,241.93	689,241.93
4. Closing balance	5,074,321.53	26,271,393.25	31,345,714.78
II. Accumulated depreciation			
1. Opening balance	3,827,301.11	18,159,938.98	21,987,240.09
2. Increase	736,815.39	3,686,138.35	4,422,953.74
(1) Provision	736,815.39	3,688,210.97	4,425,026.36
(2) Exchange differences on translation of financial statements denominated in foreign currency		-2,072.62	-2,072.62
3. Decrease		679,274.91	679,274.91
(1) Disposal or retirement		679,274.91	679,274.91
4. Closing balance	4,564,116.50	21,166,802.42	25,730,918.92
III. Impairment provision			
1. Opening balance			
2. Increase			
(1) Provision			
3. Decrease			
(1) Disposal or retirement			
4. Closing balance			
IV. Carrying amount			
1. Carrying amount at the end of the period	510,205.03	5,104,590.83	5,614,795.86
2. Carrying amount at the beginning of the period	1,247,020.42	7,221,724.34	8,468,744.76

### 13. Construction in Progress

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	46,581,024.88	
Total	46,581,024.88	

#### (1) Construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Headquarters base project	46,581,024.88		46,581,024.88			
Total	46,581,024.88		46,581,024.88			

## (2) Changes in significant construction in progress for the period

Unit: RMB

Item	Budget amount	Opening balance	Increase	Transfer to fixed assets	Other decreases	Closing balance	Proportion of cumulative project investment to the budget	Project progress	Amount of accumulated capitalised interest	Including: Capitalised interest for the period	Rate of interest capitalised	Source of capital
Headquarters base project	900,000.00 <sup>1</sup>		46,581,024.88			46,581,024.88	11.12%	11.12%				Others
Total	900,000.00		46,581,024.88			46,581,024.88						

Note: 1. The total project budget includes a land payment of RMB481,096,402.00, which are accounted for as intangible assets; and the percentage of cumulative project expenditures relative to the budget is calculated based on the amount net of the land payment.

## (3) Impairment testing of construction in progress

Applicable Not applicable

## 14. Right-of-use assets

### (1) Right-of-use assets

Unit: RMB

Item	Buildings	Total
I. Original book value:		
1. Opening balance	402,205,072.74	402,205,072.74
2. Increase	214,863,660.44	214,863,660.44
(1) Additions	214,406,739.78	214,406,739.78
(2) Exchange differences on translation	456,920.66	456,920.66

of financial statements denominated in foreign currency		
3. Decrease	297,477,477.00	297,477,477.00
(1) Disposals	297,477,477.00	297,477,477.00
4. Closing balance	319,591,256.18	319,591,256.18
II. Accumulated depreciation		
1. Opening balance	213,647,027.04	213,647,027.04
2. Increase	178,832,675.65	178,832,675.65
(1) Provision	178,832,675.65	178,832,675.65
3. Decrease	248,183,872.01	248,183,872.01
(1) Disposals	248,177,911.74	248,177,911.74
(2) Exchange differences on translation of financial statements denominated in foreign currency	5,960.27	5,960.27
4. Closing balance	144,295,830.68	144,295,830.68
III. Provision for impairment		
1. Opening balance	36,393,898.13	36,393,898.13
2. Increase	922,334.40	922,334.40
(1) Provision	421,510.64	421,510.64
(2) Exchange differences on translation of financial statements denominated in foreign currency	500,823.76	500,823.76
3. Decrease	32,356,216.91	32,356,216.91
(1) Disposals	32,356,216.91	32,356,216.91
4. Closing balance	4,960,015.62	4,960,015.62
IV. Carrying amount		
1. Carrying amount at the end of the period	170,335,409.88	170,335,409.88
2. Carrying amount at the beginning of the period	152,164,147.57	152,164,147.57

## (2) Impairment testing of right-of-use assets

Applicable Not applicable

The recoverable amount is the net amount of fair value less costs to disposal.

Applicable Not applicable

Recoverable amount is determined according to the present value of expected future cash flows

Applicable Not applicable

Unit: RMB

Item	Carrying amount	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
DR Suzhou Matro Store	1,047,201.43	1,012,416.32	34,785.11	The earlier of the	(1) Operating income:	N/A	N/A

DR Nanchong Wangfujing Store	279,567.28	218,106.87	61,460.41	expiration date of the lease contract and the expected closing date of the store	forecasts are based on the Company's strategic objectives, the external environment, consumer stimulus policies introduced by the state and the historical revenue growth of the store; (2) Operating costs: calculated based on historical average gross margins; (3) Operating expenses: calculated based on historical Operating expenses as a percentage of operating income; (4) Pre-tax discount rate: 14.48%		
DR Chongqing Mixc Store	1,077,960.22	1,022,722.35	55,237.87				
DR Qingdao Huangdao Aeon Mall Store	95,972.37	94,632.16	1,340.21				
DR Shanghai Songjiang Wanda Store	1,100,764.16	1,043,866.00	56,898.16				
DR Lanzhou Chengguan Wanda Store	444,379.28	324,621.52	119,757.76				
DR Dalian Development Zone Yihecheng Store	103,116.10	79,355.89	23,760.21				
DR Wuhu Yaohan Store	119,798.18	113,188.89	6,609.29				
DR Weinan Linwei Wanda Store	399,315.69	261,336.56	137,979.13				
DR Hong Kong Tsim Sha Tsui Store	472,498.26	388,073.18	84,425.08				
Total	5,140,572.97	4,558,319.74	582,253.23				

Reasons for notable differences between the foregoing information and information or external information used for impairment testing in prior year

Reasons for notable differences between the information used for impairment testing in prior year by the Company and actual conditions in that year

Other descriptions:

The management of the Company has identified impairment indicators in respect of the long-term assets of several stores, including right-of-use assets and long-term prepaid expenses, based on the historical experience and market analysis.

The Group uses a single store as an asset group, and conducts an impairment test on the asset group of the store showing any indication of impairment.

The recoverable amount is determined based on the present value of the estimated cash flows of the single store over the remaining lease term or expected operational period, where the carrying amount of the asset group is higher than the recoverable amount, the Group makes a provision for impairment for the excess amount.

The amount of the impairment loss is used to reduce the carrying amount of each asset on a pro-rata basis according to the proportion of the carrying amount of the right-of-use asset and the long-term prepaid expenses within the asset group of the store.

## 15. Intangible assets

### (1) Intangible assets

Unit: RMB

Item	Land use rights	Patents	Non-patented technologies	Software	Trademarks	Total
I. Original book value:						
1. Opening balance	466,000,000.00			13,244,445.45	4,995,665.40	484,240,110.85
2. Increase	15,096,402.00				461,370.00	15,557,772.00
(1) Purchases	15,096,402.00					15,096,402.00
(2) Internal R&D						
(3) Increase from business combinations						
(4) Exchange differences on translation of financial statements denominated in foreign currency					461,370.00	461,370.00
3. Decrease						
(1) Disposals						
4. Closing balance	481,096,402.00			13,244,445.45	5,457,035.40	499,797,882.85
II. Accumulated amortisation						
1. Opening balance	1,553,333.33			12,547,780.77	1,328,588.37	15,429,702.47
2. Increase	16,363,783.92			393,772.29	1,215,905.68	17,973,461.89
(1) Provision	16,363,783.92			393,772.29	1,092,892.23	17,850,448.44

(2) Exchange differences on translation of financial statements denominated in foreign currency					123,013.45	123,013.45
3. Decrease						
(1) Disposals						
4. Closing balance	17,917,117.25			12,941,553.06	2,544,494.05	33,403,164.36
III. Impairment provision						
1. Opening balance						
2. Increase						
(1) Provision						
3. Decrease						
(1) Disposals						
4. Closing balance						
IV. Carrying amount						
1. Carrying amount at the end of the period	463,179,284.75			302,892.39	2,912,541.35	466,394,718.49
2. Carrying amount at the beginning of the period	464,446,666.67			696,664.68	3,667,077.03	468,810,408.38

At the end of the period, intangible assets arising from internal research and development accounted for 0.00% of the total balance of intangible assets.

## 16. Long-term prepaid expenses

Unit: RMB

Item	Opening balance	Increase	Amortisation	Other decreases	Closing balance
Expenses on	33,080,008.71	27,530,457.98	29,042,136.72	160,742.59	31,407,587.38

improvement of right-of-use assets					
<b>Total</b>	33,080,008.71	27,530,457.98	29,042,136.72	160,742.59	31,407,587.38

Other descriptions:

The Group uses a single store as an asset group, and conducts an impairment test on the asset group of the store showing any indication of impairment. The recoverable amount of the asset group is determined according to the present value of the estimated future cash flow. Refer to Section VIII, Note VII, Item 14.

According to the result of the impairment test, the carrying amount of some store asset groups is higher than the recoverable amount, and the corresponding provision for impairment of long-term prepaid expenses is RMB160,742.59. As at 31 December 2025, the amount of the provision for impairment of assets included in the closing balance of carrying amount of long-term prepaid expenses was RMB 730,960.69.

## 17. Deferred tax assets/deferred tax liabilities

### (1) Deferred tax assets before offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Unrealised profit on inter-company transactions	7,030,587.90	1,757,646.97	4,134,107.05	1,033,526.76
Deductible losses	281,160,901.18	59,895,096.72	131,659,085.48	23,889,098.37
Allowances for bad debts	4,413,472.89	1,099,864.26	6,881,313.70	1,716,273.86
Provision for decline in value of inventories	3,821,724.61	954,943.62	19,150,918.38	4,786,029.86
Provision for impairment of long-term assets	6,675,414.31	1,177,648.50	43,614,578.02	9,807,242.43
Provision for store restoration obligations	5,327,725.96	1,306,794.19	6,296,113.37	1,547,720.57
Difference between tax and accounting treatment of lease liabilities	183,784,533.22	40,051,761.48	169,207,924.45	37,368,757.77
<b>Total</b>	492,214,360.07	106,243,755.74	380,944,040.45	80,148,649.62

### (2) Deferred tax liabilities before offsetting

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of financial instruments	140,597,760.81	32,759,422.51	127,578,295.35	29,985,115.83
Accrued interest on large-denomination	38,214,789.13	9,115,289.42	44,259,299.18	10,462,653.69

certificates of deposit				
Difference between tax and accounting treatment of right-of-use assets	174,362,422.56	37,299,916.14	185,271,104.25	40,364,325.36
<b>Total</b>	<b>353,174,972.50</b>	<b>79,174,628.07</b>	<b>357,108,698.78</b>	<b>80,812,094.88</b>

**(3) Deferred tax assets or liabilities shown in the net amount after offsetting**

Unit: RMB

Item	The offset amount of deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offsetting	The offset amount of deferred tax assets and liabilities at beginning of period	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	65,450,368.96	40,793,386.78	67,544,216.42	12,604,433.20
Deferred tax liabilities	65,450,368.96	13,724,259.11	67,544,216.42	13,267,878.46

**(4) Details of unrecognised deferred tax assets**

Unit: RMB

Item	Closing balance	Opening balance
Deductible losses	233,815,774.05	299,778,341.65
Deductible temporary differences	3,606,568.01	6,090,145.74
<b>Total</b>	<b>237,422,342.06</b>	<b>305,868,487.39</b>

**(5) Deductible losses for which no deferred tax assets were recognised will become due in the following years**

Unit: RMB

Year	Closing balance	Opening balance	Remark
2025		1,207,915.36	
2026	1,126,793.79	2,014,907.27	
2027	1,967,316.62	693,393.30	
2028	6,284,417.13	158,572,257.76	
2029	116,046,270.07	107,297,930.13	
2030	74,803,152.38		
Indefinite	33,587,824.06	29,991,937.83	
<b>Total</b>	<b>233,815,774.05</b>	<b>299,778,341.65</b>	

Other descriptions:

The Group calculates and recognises deferred tax assets arising from deductible temporary differences at the applicable tax rate for the period in which the asset is expected to be recovered, up to the taxable income that is likely to be acquired in future periods to offset deductible temporary differences and deductible losses.

**18. Other non-current assets**

Unit: RMB

Item	Closing balance			Opening balance		
	Gross carrying	Provision for	Carrying	Gross carrying	Provision for	Carrying

	amount	impairment	amount	amount	impairment	amount
Lease deposit with a term exceeding one year	23,637,116.29		23,637,116.29	22,796,044.75		22,796,044.75
Total	23,637,116.29		23,637,116.29	22,796,044.75		22,796,044.75

Other descriptions:

As at 31 December 2025, the Group assessed the expected credit loss ratio as low based on historical loss rates and forward-looking macroeconomic data.

## 19. Assets with restricted ownership or right of use

Unit: RMB

Item	Closing balance				Opening balance			
	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash and bank balances	20,292.72	20,292.72	Frozen	Change of deposits and account types, etc	2,976.81	2,976.81	Frozen	Change of account types, etc
Total	20,292.72	20,292.72			2,976.81	2,976.81		

Other descriptions:

As at 31 December 2025, the Group's restricted cash and bank balances totalled RMB20,292.72 (31 December 2024: RMB2,976.81), which were restrictions on bank fund transfer mainly due to change of deposits and account types.

## 20. Short-term borrowings

### (1) Classification of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	145,000,000.00	17,000,000.00
Discounted borrowing on bills	645,302,899.14	270,852,882.08
Loans through Rongyixin		51,656,590.53
Total	790,302,899.14	339,509,472.61

Description of classification of short-term borrowings:

The bill discounting borrowings consist of the undiscounted amounts of bank acceptance bills issued among entities within the consolidation scope of the Group and discounted before year-end, as well as the outstanding borrowings obtained through forfeiting transactions based on letters of credit issued among entities within the consolidation scope. The credit loans are short-term borrowings obtained by the Company from the Shenzhen High-Tech Zone Sub-branch of Bank of China Limited, the Shenzhen Branch of China Minsheng Bank, and the Qianhai Branch of Agricultural Bank of China Limited. The term of each loan does not exceed 12 months. The interest rate is a floating rate, which is re-priced every 6 months.

The loans through Rongyixin refers to the loans issued by the Company to its subsidiary through the Rongyixin platform of the Bank of China. The subsidiary applies for financing from financial institutions by using the loans held through Rongyixin.

As at 31 December 2025, the Group has no overdue short-term borrowings.

## 21. Held-for-trading financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Including:		
Financial liabilities designated as at FVTPL		144,722,831.86
Including:		
Gold leasing		144,722,831.86
Total		144,722,831.86

Other descriptions:

The Group leased gold from banks for production and operation. Before maturity date, the Company would return the gold to the banks with the same quantity and specification purchased through Shanghai Gold Exchange or leased from the banks, and pay the agreed lease interest. The lease term is within one year (one year inclusive). As at 31 December 2025, the Group's gold leasing business has fully expired and returned without renewal.

## 22. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptances	73,961,196.53	32,833,149.16
Total	73,961,196.53	32,833,149.16

The total amount of notes payable due and unpaid at the end of the period was RMB 0.00.

## 23. Accounts payable

(1) Accounts payable are listed as follows

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable	35,318,002.01	31,342,378.26
Total	35,318,002.01	31,342,378.26

Note: As of December 31, 2025, and December 31, 2024, the Group had no significant accounts payable outstanding for over one year or past due.

## 24. Other payables

Unit: RMB

Item	Closing balance	Opening balance
Other payables	57,528,339.01	284,488,227.25
Total	57,528,339.01	284,488,227.25

**(1) Other payables****1) Other payables categorised by nature**

Unit: RMB

Item	Closing balance	Opening balance
Land payables		233,000,000.00
Variable lease payments and payments due to the shopping mall	13,090,512.57	15,238,547.46
Renovation expenses payable	11,035,998.74	14,289,041.20
Advertisement expenses payable	7,545,727.90	5,698,041.65
Other accrued expenses	9,618,192.65	4,997,057.80
Deposits	5,518,359.03	3,713,635.25
Payable for repurchase of restricted shares	3,999,996.00	
Others	6,719,552.12	7,551,903.89
Total	57,528,339.01	284,488,227.25

Other descriptions:

**25. Contract liabilities**

Unit: RMB

Item	Closing balance	Opening balance
Receipts in advance of order payment <sup>1</sup>	106,413,910.64	108,244,059.04
Membership loyalty points redemption obligations <sup>2</sup>	9,616,267.62	4,445,540.41
Total	116,030,178.26	112,689,599.45

Note 1: The receipts of order payment in advance mainly represent the prepayment collected from customers and membership loyalty points redemption obligations before the Group fulfils its performance obligations. Revenue relating to this contract will be recognised when the Group fulfils its performance obligations. Normally, when the Group receives advance payments for orders from customers, it will normally fulfil its performance obligations and recognise revenue within 30 days.

2: The obligation of membership rewards points redemption refers to the Group's obligation to redeem the rewards points earned by the customer through product purchases.

Significant contract liabilities aged over 1 year

Unit: RMB

Item	Closing balance	Reason for not being paid or carried forward
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The amount and reason for significant changes in carrying amount within the reporting period.

Unit: RMB

Item	Changes	Reasons
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## 26. Employee benefits payable

### (1) Employee benefits payable are listed as follows

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term employee benefits	48,210,549.23	336,325,814.17	335,490,223.41	49,046,139.99
II. Post-employment benefits-defined contribution plan		36,469,426.21	36,469,022.23	403.98
III. Termination benefits	1,112,419.34	8,973,064.79	9,938,929.13	146,555.00
Total	49,322,968.57	381,768,305.17	381,898,174.77	49,193,098.97

### (2) Short-term employee benefits are as follows

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Salaries, bonuses, allowances and subsidies	46,991,211.77	294,290,384.63	292,492,917.12	48,788,679.28
2. Staff welfare	1,179,375.90	10,125,191.31	11,063,890.91	240,676.30
3. Social security contributions		16,674,809.62	16,674,809.62	
Including:				
Medical insurance		15,251,061.49	15,251,061.49	
Work injury insurance		877,231.97	877,231.97	
Maternity insurance		546,516.16	546,516.16	
4. Housing funds		11,963,872.71	11,963,872.71	
5. Union fund and employee education fund	39,961.56	3,271,555.90	3,294,733.05	16,784.41
Total	48,210,549.23	336,325,814.17	335,490,223.41	49,046,139.99

### (3) Defined contribution plans

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance		35,003,405.74	35,003,001.76	403.98
2. Unemployment insurance		1,466,020.47	1,466,020.47	
Total		36,469,426.21	36,469,022.23	403.98

Other descriptions:

**27. Taxes payable**

Unit: RMB

Item	Closing balance	Opening balance
VAT	2,316,857.24	4,389,457.09
Consumption tax	8,362,764.21	7,827,165.08
Corporate income tax	13,483,612.82	9,164,340.71
Withholding and remitting individual income tax	948,956.54	909,947.27
Urban maintenance and construction tax	596,941.28	810,393.79
Education surcharge	242,491.79	322,253.49
Local education surcharge	161,661.42	214,835.81
Others	636,330.52	1,282,389.83
<b>Total</b>	<b>26,749,615.82</b>	<b>24,920,783.07</b>

Other descriptions:

**28. Non-current liabilities due within one year**

Unit: RMB

Item	Closing balance	Opening balance
Lease liabilities due within one year	117,123,268.18	118,680,935.15
Store restoration obligations due within one year	4,666,763.50	5,899,510.00
<b>Total</b>	<b>121,790,031.68</b>	<b>124,580,445.15</b>

Other descriptions:

**29. Other current liabilities**

Unit: RMB

Item	Closing balance	Opening balance
Provision for returns <sup>1</sup>	800,643.24	
Output VAT to be transferred	10,464,197.13	10,993,820.57
<b>Total</b>	<b>11,264,840.37</b>	<b>10,993,820.57</b>

Note: 1. The provision for returns is a provision for goods sold subject to return conditions. The Group calculates the provision based on historical data and current sales trends.

Changes in short-term bonds payable:

Unit: RMB

Name of bonds	Nominal value	Coupon rate	Issue date	Bond maturity	Issue amount	Opening balance	Bonds issued	Interest accrued at	Amortisation of premium	Repayment		Closing balance	Default or not?
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								par value	ums or discou nts				
Total													

Other descriptions:

### 30. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payments payable	187,806,468.78	176,401,022.39
Less: Lease liabilities due within one year	117,123,268.18	118,680,935.15
Total	70,683,200.60	57,720,087.24

Other descriptions:

### 31. Provisions

Unit: RMB

Item	Closing balance	Opening balance	Reason
Provision for returns		675,111.59	Provision for returns is made for sales of goods with sales return conditions. The Group makes provision for returns based on historical experience data and sales.
Store restoration obligations	6,719,267.00	7,621,113.00	Store restoration obligations represent costs that the Group, as the lessee, expects to incur under the lease agreement to restore the leased assets to the condition agreed under the terms of the lease. The Group estimates restoration costs based on industry conditions and historical experience.
Less: Provisions due within one year	4,666,763.50	5,899,510.00	
Total	2,052,503.50	2,396,714.59	

Other descriptions, including description of significant assumptions and estimates related to material provisions:

### 32. Share capital

Unit: RMB

	Opening balance	Increase/decrease (+.-)					Closing balance
		New issue	Bonus shares	Conversion of reserves into shares	Others	Subtotal	
Total shares	400,010,000.00	264,550.00				264,550.00	400,274,550.00

Other descriptions:

On 30 July 2025, the Company convened its second extraordinary general meeting of shareholders in 2025, at which the following resolutions were deliberated and adopted: the Resolution on the Company's 2025 Restricted Share Incentive Plan (Draft) and Its Summary, the Resolution on the Company's Implementation and Performance Evaluation Measures for the 2025 Restricted Share Incentive Plan, and the Resolution to Request the General Meeting of Shareholders to Authorise the Board of Directors to Handle Matters Related to the Company's 2025 Restricted Share Incentive Plan. For details, please refer to Section VIII, Note XV, Share-Based Payments. Pursuant to the aforementioned resolutions, the Company has received a total of RMB 3,999,996.00 in cash contributions from the two incentive recipients granted under this plan during the year. Of this amount, RMB 264,550.00 was added to the registered capital (share capital), while RMB 3,735,446.00 was added to the capital reserve. The registration of the grant of Class I restricted shares under the aforementioned restricted share incentive plan has been completed.

### 33. Capital reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (Share premium)	4,403,792,844.63	30,639,450.81		4,434,432,295.44
Other capital reserve	-227.67			-227.67
Share-based payments included in the capital reserve	26,889,567.92	14,436.89	26,904,004.81	0.00
Shareholding system transformation	29,640,980.88			29,640,980.88
Total	4,460,323,165.76	30,653,887.70	26,904,004.81	4,464,073,048.65

Other descriptions, including description of changes for the period and reasons

In March 2025, all share-based payment plans granted in March 2020 had met the vesting conditions specified in the incentive plan, and the amounts previously recorded in other capital reserve were transferred in full to share premium.

### 34. Treasury shares

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Share repurchases		3,999,996.00		3,999,996.00
Total		3,999,996.00		3,999,996.00

Other descriptions, including description of changes for the period and reasons

The Group has recognised treasury shares in connection with the repurchase obligations specified in the restricted share incentive plan approved by the general meeting of shareholders in July 2025. For further details, please refer to Note XV.

### 35. Other comprehensive income

Unit: RMB

Item	Opening balance	Amount for the current period						Closing balance
		Amount incurred before income tax for the current period	Less: Reclassification from other comprehensive income to profit or loss	Less: Reclassification from other comprehensive income to retained earnings	Less: Income tax expenses	Profit attributable to the Company after tax	Attributable to minority interests after tax	
II. Other comprehensive income that maybe reclassified to profit or loss	1,933,804.33	2,174,324.60				2,174,324.60		4,108,128.93
Translation differences of financial statements denominated in foreign currencies	1,933,804.33	2,174,324.60				2,174,324.60		4,108,128.93
Total other comprehensive income	1,933,804.33	2,174,324.60				2,174,324.60		4,108,128.93

Other descriptions, including adjustment to the transferred effective profit or loss arising from cash flow hedge to initially recognised amount of the hedged item:

### 36. Surplus reserve

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	200,005,000.00			200,005,000.00
Total	200,005,000.00			200,005,000.00

Description of surplus reserve, including description of changes for the period and reasons:

According to the provisions of the Company Law and the Articles of Association of the company under the Group, companies under the Group appropriate 10% of the profit to the statutory surplus reserve. Where the accumulated amount of the surplus reserve reaches 50% or more of the company's registered capital, further appropriation is not required.

**37. Retained profits**

Unit: RMB

Item	For the current period	For the prior period
Balance at the beginning of the period after adjustment	1,261,232,334.24	1,408,207,801.55
Add: Net profit attributable to shareholders of the Company for the current period	139,104,912.36	53,029,532.69
Dividends payable on ordinary shares	200,005,000.00 <sup>1</sup>	200,005,000.00
Balance at the end of the period	1,200,332,246.60	1,261,232,334.24

Note 1: On May 28, 2025, the Group's shareholders' meeting passed the resolution on the profit distribution proposal for the year 2024, approving a cash dividend distribution of RMB 200,005,000.00 (equivalent to RMB 0.50 per share). Details of adjustment to balance at the beginning of the period:

- 1) No balance adjustment of retained profits at the beginning of the period was made in relation to changes in the Accounting Standard for Business Enterprises and other new regulations.
- 2) No balance adjustment of retained profits at the beginning of the period was made in relation to changes in accounting policies.
- 3) No balance adjustment of retained profits at the beginning of the period was made in relation to significant accounting error correction.
- 4) No balance adjustment of retained profits at the beginning of the period was made in relation to changes in scope of business combination involving enterprises under common control.
- 5) No balance adjustment of retained profits at the beginning of the period was made in relation to other adjustments.

Detailed description of using capital reserve to cover losses:

**38. Operating income and operating costs**

Unit: RMB

Item	Amount for the current period		Amount for the prior period	
	Income	Cost	Income	Cost
Principal business	1,503,052,226.80	495,394,235.70	1,474,288,180.73	507,787,350.88
Other business	17,071,043.76	24,250,908.54	8,134,973.25	3,831,688.94
Total	1,520,123,270.56	519,645,144.24	1,482,423,153.98	511,619,039.82

The lower of the audited total profit, net profit and net profit net of non-recurring profit or loss during the reporting period of the Company is negative.

Yes No

Disaggregation of operating income and operating costs:

Unit: RMB

Category of contracts	Segment 1		Segment 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Type of business	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24

Including:								
Engagement diamond rings	1,134,543,007.27	332,666,142.16					1,134,543,007.27	332,666,142.16
Wedding diamond rings	320,576,493.04	132,714,096.20					320,576,493.04	132,714,096.20
Other accessories	47,932,726.49	30,013,997.34					47,932,726.49	30,013,997.34
Other business	17,071,043.76	24,250,908.54					17,071,043.76	24,250,908.54
Classified by region of operation	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24
Including:								
Chinese mainland	1,422,301,917.72	488,442,290.85					1,422,301,917.72	488,442,290.85
Overseas	97,821,352.84	31,202,853.39					97,821,352.84	31,202,853.39
Market or customer type								
Including:								
Type of contract								
Including:								
Classified by time of goods transfer	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24
Including:								
Revenue recognised at a point in time	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24
Classified by contract period								
Including:								
Classified by sales channel	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24
Including:								
Self-operated income	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24
Total	1,520,123,270.56	519,645,144.24					1,520,123,270.56	519,645,144.24

	,270.56	4.24				70.56	4.24
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Information about the performance obligations:

Item	Time for fulfilment of performance obligations	Significant payment terms	Nature of the goods the Company commits to transfer	Whether it is the principal	Amount assumed by the Company that is expected to be refunded to the customer	Type of quality assurance provided by the Company and related obligations
Sales of goods	At the time of product delivery	Under normal circumstances, goods are delivered within 15-60 days after the consumer has paid in advance for the order.	Jewelry	Yes	The customer has the right to return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical experience and data, as well as the sales situation, and calculate the provision for return, which is detailed in Note VIII, 31.	N/A

Other explanations

Under the self-operated business, the customer completes the performance obligations when receiving the goods. Under normal circumstances, for directly-operated stores, the goods are delivered within 30 days after receiving the contract price; for joint-operated stores with malls and e-commerce stores, the contract price is usually received within 15-60 days after delivery. The customer has the right to return the product within 15 days after receiving it, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Section VIII, Note VII, 31

Information relating to the transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but have not yet been fulfilled or completed was RMB116,030,178.26.

Information about variable consideration in the contract:

Significant changes in the contract or significant transaction price adjustments

Unit: RMB

Item	Accounting treatment	Amount affected on revenue
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Other descriptions:

### 39. Taxes and levies

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Consumption tax	59,980,884.66	61,508,021.85
Urban maintenance and construction tax	6,347,121.77	7,171,221.55
Education surcharge	2,607,857.12	2,831,751.11
Land use tax	20,409.84	1,920.81
Tax for use of vehicles and vessels	4,620.00	4,620.00
Stamp tax	961,959.77	1,034,422.82
Local education surcharge	1,738,594.00	1,887,832.82
Total	71,661,447.16	74,439,790.96

Other descriptions:

#### 40. Administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages or salaries	73,965,620.58	78,533,542.23
Input tax not deductible for intra-group transactions	24,973,107.46	15,690,635.54
Depreciation and amortisation	17,766,058.51	17,977,022.45
Professional agency service expenses	10,442,092.93	13,125,819.76
Office expenses	5,956,191.24	7,576,651.04
Travel expenses	2,919,037.17	2,385,856.01
Property management and utility expenses	2,801,914.02	3,319,830.43
Share-based payment expenses	14,436.89	358,026.60
Others	4,865,642.15	4,184,466.97
Total	143,704,100.95	143,151,851.03

Other descriptions:

#### 41. Selling expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages or salaries	293,100,953.42	329,810,093.39
Depreciation and amortisation	199,701,915.83	262,083,791.40
Brand building fee	99,256,730.92	72,184,571.36
Marketing fee	59,016,968.20	42,304,193.28
Property management and utility expenses	37,457,655.61	48,649,010.06
Variable rents excluded in the lease liabilities	13,817,406.44	7,379,903.15
Platform service fees	12,752,282.74	10,778,038.87
Office expenses	10,574,343.22	9,116,013.61
Travel expenses	7,280,614.34	6,726,684.20
Courier expenses	2,909,054.71	1,912,739.59
Professional agency service expenses	2,398,288.46	8,987,195.21
Packaging expenses	778,571.74	734,607.81

Others	12,516,188.54	14,925,522.03
<b>Total</b>	<b>751,560,974.17</b>	<b>815,592,363.96</b>

Other descriptions:

#### 42. Research and development expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages or salaries	13,438,801.75	16,610,005.06
Commissioned development service expenses	325,356.00	777,674.92
Depreciation and amortisation	333,140.78	536,909.46
Others	620,013.51	
<b>Total</b>	<b>14,717,312.04</b>	<b>17,924,589.44</b>

Other descriptions:

#### 43. Finance expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Interest expenses	15,080,305.50	12,534,223.67
Less: Interest income	1,258,964.66	2,694,877.83
Exchange gains or losses	20,672,983.58	-9,384,356.03
Fee expenses	12,062,403.91	7,794,170.21
<b>Total</b>	<b>46,556,728.33</b>	<b>8,249,160.02</b>

Other descriptions:

#### 44. Other income

Unit: RMB

Sources of generating other income	Amount for the current period	Amount for the prior period
Government grants related to routine activities	3,185,640.05	2,792,775.88
VAT levied and refunded <sup>1</sup>	8,864,789.68	7,740,248.29
Tax benefits <sup>2</sup>	401,734.60	1,292,758.89

Note 1: According to the Notice of the General Administration of Customs of the Ministry of Finance and the State Taxation Administration on Adjusting the Relevant Tax Policies of the Diamond and Shanghai Diamond Exchange (Cai Shui [2006] No. 65), polished diamonds imported through the customs declaration of the competent customs of the Diamond Exchange shall be levied and refunded immediately if the actual VAT burden exceeds 4% at the import stage. Shanghai Darry, a subsidiary of the Company, has the membership of the Shanghai Diamond Exchange and enjoys the tax treatment of immediate refund for the part of the actual VAT burden in the import process exceeding 4% from January to October 2025.

2: According to the Announcement of the State Taxation Administration on Tax Collection and Administration Issues related to the Exemption of VAT for Small-Scale Taxpayers (SAT Announcement [2024] No. 19), small-scale taxpayers who engage in VAT

taxable sales with total monthly sales not exceeding RMB100,000 (or with quarterly sales not exceeding RMB300,000 if one quarter is a tax period) are exempt from VAT. Some of the Company's branches are small-scale taxpayers and meet the above standards, and will be exempt from VAT in 2025.

#### 45. Gains from changes in fair value

Unit: RMB

Source resulting in gains from changes in fair values	Amount for the current period	Amount for the prior period
Held-for-trading financial assets	167,179,244.33	164,753,847.22
Held-for-trading financial liabilities	-41,117,511.19	-27,376,721.19
Other non-current financial assets	21,016,564.47	6,120,381.21
Total	147,078,297.61	143,497,507.24

Other descriptions:

#### 46. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	-2,381,890.60	
Interest income earned during the holding period of debt investment	15,367,349.57	3,401,960.33
Investment income from disposal of debt investments	7,705,706.53	28,043,524.74
Total	20,691,165.50	31,445,485.07

Other descriptions:

#### 47. Impairment losses of credit

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Bad debt losses of accounts receivable	-387,960.16	223,733.50
Bad debt losses of lease deposit due within one year	313,407.46	1,850,080.61
Total	-74,552.70	2,073,814.11

Other descriptions:

#### 48. Impairment losses of assets

Unit: RMB

Item	Amount for the current period	Amount for the prior period
I. Losses from decline in value of inventories and losses from impairment of costs to fulfil a contract	3,254,552.53	-15,044,437.14
II. Others	-1,567,315.61	-15,021,106.74
Total	1,687,236.92	-30,065,543.88

Other descriptions:

The amount of RMB-1,567,315.61 for 2025 included RMB-160,742.59 for losses on impairment of long-term prepaid expenses, RMB-422,135.02 for losses on impairment of right-of-use assets and RMB-984,438.00 for losses on impairment of other current assets;

The amount of RMB-15,021,106.74 for 2024 included RMB-2,621,976.86 for losses on impairment of long-term prepaid expenses and RMB-12,399,129.88 for losses on impairment of right-of-use assets.

#### 49. Gains from disposal of assets

Unit: RMB

Source of gains from disposal of assets	Amount for the current period	Amount for the prior period
Gains or losses from disposal of long-term assets	-583,858.66	10,862,835.63

#### 50. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Compensation	794,489.65	3,043,343.20	794,489.65
Others	758,454.96	640,563.12	758,454.96
Total	1,552,944.61	3,683,906.32	1,552,944.61

Other descriptions:

#### 51. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Liquidated damages and late fees	5,198,682.30	1,869,451.74	5,142,173.73
Others	1,382,305.16	621,812.44	1,382,305.16
Total	6,580,987.46	2,491,264.18	6,524,478.89

Other descriptions:

## 52. Income tax expenses

### (1) Statement of income tax expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Current tax expenses	37,242,876.66	27,953,667.10
Deferred tax expenses	-27,847,815.20	1,295,682.33
Total	9,395,061.46	29,249,349.43

### (2) Reconciliation of accounting profit to income tax expenses

Unit: RMB

Item	Amount for the current period
Total profit	148,499,973.82
Income tax expenses calculated based on statutory/applicable tax rate	37,124,993.46
Effect of different tax rates applied by subsidiaries	-17,617,698.17
Effect of adjustments to income taxes of prior periods	6,367,969.71
Effect of non-taxable income	513,222.65
Effect of non-deductible costs, expenses and losses	1,794,972.55
Effect of deductible losses for which no deferred tax assets are recognised in the prior period	-36,594,969.21
Effect of deductible temporary differences or deductible losses for which no deferred tax assets are recognised in the current period	17,800,868.32
Effect of changes in tax rates on the opening balance of deferred income tax	5,702.15
Income tax expenses	9,395,061.46

Other descriptions:

The income tax of the Group has been calculated at the applicable rate on the estimated taxable income accessible in Chinese mainland. Tax on taxable income accessible elsewhere has been calculated at the applicable rate for the countries/jurisdictions in which the Group operates in accordance with existing laws, interpretations and practices.

## 53. Other comprehensive income

Refer to Note VIII, 35 for details.

## 54. Items in the cash flow statement

### (1) Cash relating to operating activities

Other cash receipts relating to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Recovery of store renovation and other	6,308,356.56	9,446,516.92

deposits		
Bank interest income	1,258,964.66	2,694,974.37
Government grants	3,185,640.05	2,806,714.26
Others	8,102,960.71	14,666,564.67
<b>Total</b>	<b>18,855,921.98</b>	<b>29,614,770.22</b>

Descriptions of other cash receipts relating to operating activities:

Other cash payments relating to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Payment of rent, property management and utility expenses	55,722,573.36	56,481,135.28
Payment of marketing expenses, Brand Development Fee	157,165,144.68	133,611,656.88
Payment of office and travel expenses	26,730,185.97	20,134,492.74
Payment of courier expenses	7,196,102.91	8,567,114.39
Payment of packaging expenses	6,647,849.75	8,030,766.16
Payment of card processing fee	14,589,758.38	9,428,225.45
Payment of renovation and other deposits	4,743,449.69	3,916,260.25
Payment of consultation and testing expenses	14,463,595.46	21,807,860.98
Payment of e-commerce platform service fee	11,942,511.56	8,506,208.69
Others	33,848,833.60	12,537,360.15
<b>Total</b>	<b>333,050,005.36</b>	<b>283,021,080.97</b>

Descriptions of other cash payments relating to operating activities:

## (2) Cash relating to investing activities

Other cash receipts relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Receipt of bid bond for construction projects	7,810,000.00	
<b>Total</b>	<b>7,810,000.00</b>	

Cash receipts relating to significant investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Recovery of investments in bank WMPs	7,046,377,256.52	6,001,616,655.93
Recovery of investments in structured deposits	250,065,708.19	640,000,000.00
<b>Total</b>	<b>7,296,442,964.71</b>	<b>6,641,616,655.93</b>

Descriptions of other cash receipts relating to investing activities:

Other cash payments relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Payment of tender deposit for construction projects	6,620,000.00	
Total	6,620,000.00	

Cash payments relating to significant investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Payment for investments in bank WMPs	6,753,570,040.04	5,943,043,366.22
Payment for investments in structured deposit	160,000,000.00	507,422,225.00
Total	6,913,570,040.04	6,450,465,591.22

Descriptions of other cash payments relating to investing activities:

**(3) Cash relating to financing activities**

Other cash receipts relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Rental deposits returned	23,578,212.41	17,473,501.27
Withholding dividend tax	1,516,649.59	1,234,349.40
Total	25,094,862.00	18,707,850.67

Descriptions of other cash receipts relating to financing activities:

Other cash payments relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Fixed rent paid	167,210,668.10	240,224,136.72
Rental deposits paid	7,695,698.84	5,315,654.57
Withholding dividend tax	1,516,649.59	1,234,349.40
Total	176,423,016.53	246,774,140.69

Descriptions of other cash payments relating to financing activities:

Movements in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase for the current period		Decrease for the current period		Closing balance
		Cash movement	Non-cash movement	Cash movement	Non-cash movement	
Short-term borrowings	339,509,472.61	911,158,960.60	5,049,154.43	465,414,688.50		790,302,899.14
Lease liabilities (including lease)	176,401,022.39		219,212,642.69	167,210,668.10	40,596,528.20	187,806,468.78

liabilities due within one year)						
Dividends payable			200,005,000.00	200,005,000.00		
Total	515,910,495.00	911,158,960.60	424,266,797.12	832,630,356.60	40,596,528.20	978,109,367.92

## 55. Supplementary information to the cash flow statement

### (1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	139,104,912.36	53,029,532.69
Add: Provision for impairment of assets	-1,687,236.92	30,065,543.88
Depreciation of fixed assets, depletion of oil and natural gas assets and depreciation of bearer biological assets	4,425,251.51	6,082,889.93
Depreciation of right-of-use assets	178,832,675.65	226,317,546.27
Amortisation of intangible assets	5,501,051.25	3,607,426.97
Amortisation of long-term prepaid expenses	29,042,136.72	44,909,904.06
Losses on disposals of fixed assets, intangible assets and other long-term assets (Gains are indicated by "-")	583,858.66	-10,862,835.63
Losses on retirement of fixed assets (Gains are indicated by "-")		
Losses from changes in fair value (Gains are indicated by "-")	-147,078,297.61	-143,497,507.24
Financial expenses (Gains are indicated by "-")	33,225,934.61	1,515,908.93
Investment losses (Gains are indicated by "-")	-20,691,165.50	-31,445,485.07
Decrease in deferred tax assets (Increase is indicated by "-")	-28,188,953.58	2,689,417.74
Increase in deferred tax liabilities (Decrease is indicated by "-")	456,380.65	-1,372,114.95
Decrease in inventories (Increase is indicated by "-")	-245,088,265.31	79,485,379.57
Decrease in operating receivables (Increase is indicated by "-")	-53,268,903.42	38,006,567.43
Increase in operating payables (Decrease is indicated by "-")	-170,626,809.40	25,146,618.42
Others	-1,487,968.00	-7,522,953.92

Net cash flow from operating activities	-276,945,398.33	316,155,839.08
2. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	255,432,757.33	139,786,968.23
Less: Opening balance of cash	139,786,968.23	226,963,610.96
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	115,645,789.10	-87,176,642.73

## (2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	255,432,757.33	139,786,968.23
Including: Cash on hand	216,269.95	115,321.08
Bank deposits that are readily available for payment	183,950,536.16	136,012,273.29
Other cash and bank balances that are readily available for payment	71,265,951.22	3,659,373.86
III. Closing balance of cash and cash equivalents	255,432,757.33	139,786,968.23

## (3) Cash and bank balances that do not belong to cash and cash equivalents

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Reasons for not belonging to cash and cash equivalents
Change of bank accounts type	18,292.72	976.81	Freeze of bank accounts
Deposits for ETC and POS terminals	2,000.00	2,000.00	Restriction on use
Total	20,292.72	2,976.81	

Other descriptions:

## 56. Foreign currency monetary items

### (1) Foreign currency monetary items

Unit: RMB

Item	Closing balance of foreign currency	Exchange rate of translation	Closing balance of RMB equivalent
Cash and bank balances			42,691,073.56
Including: USD	5,139,963.74	7.0288	36,127,777.14
EUR	625,218.32	8.2355	5,148,985.47
HKD	1,084,296.28	0.9032	979,358.09
MYR	3,847.60	1.7319	6,663.77
SGD	78,461.00	5.4586	428,287.21
AUD	0.40	4.6892	1.88
Accounts receivable			449,014.49
Including: USD	55,181.67	7.0288	387,860.92
EUR	1,520.43	8.2355	12,521.50
HKD	53,842.99	0.9032	48,632.07
Long-term borrowings			
Including: USD			
EUR			
HKD			
Accounts payable			6,225,822.86
Including: USD	847,652.43	7.0288	5,957,979.40
HKD	296,542.88	0.9032	267,843.46
Other payables			2,485,758.36
Including: HKD	1,130,106.71	0.9032	1,020,734.98
EUR	9,028.73	8.2355	74,356.11
USD	197,852.73	7.0288	1,390,667.27

Other descriptions:

## 57. Leases

### (1) The Company as lessee

Applicable Not applicable

Lease payments not included in the measurement of lease liabilities

Applicable Not applicable

(1) As lessee

Unit: RMB

Item	2025	2024
Interest expenses of lease liabilities	4,805,902.91	6,794,614.55

Lease payments not included in the measurement of lease liabilities	13,817,406.44	7,379,903.15
Cash outflows of fixed lease payments	167,210,668.10	240,224,136.72
Total cash outflows relating to leases	181,028,074.54	247,604,039.87

(2) Potential future cash outflows not included in the measurement of lease liabilities

The Group's leased assets include buildings used in the course of its operations; the lease terms for the buildings are typically 1 to 5 years. Lease contracts generally stipulate that the Group may not sublet the leased assets. A small number of lease contracts contain provisions relating to renewal options, termination options and variable rents.

The Group's potential future cash flows not included in the measurement of lease liabilities mainly arise from variable lease payments and risk exposures of leases that have been committed but not yet commenced.

(3) Variable lease payments

The Group's property leases contain variable lease payments clauses that are linked to sales generated from leased stores. These clauses are used, where possible, in order to match lease payments with stores generating higher cash flows

As at 31 December 2025, the leasing status of the Group's buildings is as follows:

Unit: RMB

Item	Number of stores and offices	Fixed payments	Variable payments	Total payments
Fixed payments only	151	79,196,715.99	-	79,196,715.99
With variable payments	194	88,013,952.11	13,817,406.44	101,831,358.55
Total	345	167,210,668.10	13,817,406.44	181,028,074.54

As at 31 December 2025, the Group has no lease contracts that have been entered into but not yet implemented.

Expenses relating to short-term leases or leases of low-value assets accounted for adopting simplified approach

Applicable Not applicable

Situations involving sale and leaseback transactions

## VIII. RESEARCH AND DEVELOPMENT EXPENDITURE

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages and salaries	13,438,801.75	16,610,005.06
Commissioned development service expenses	325,356.00	777,674.92
Depreciation and amortisation	333,140.78	536,909.46
Others	620,013.51	
Total	14,717,312.04	17,924,589.44
Including: Expensed research and development expenditure	14,717,312.04	17,924,589.44

## IX. CHANGES IN SCOPE OF CONSOLIDATION

### 1. Other reasons for changes in scope of consolidation

Description of changes in scope of consolidation caused by other reasons (e.g. establishment and liquidation of subsidiaries) and their relevant conditions:

Name	Purpose for the establishment/cancellation	The way of changes in scope of consolidation	Impact on overall performance
DR Design (Shenzhen) Co., Ltd.	Business needs	Newly established	Not significant
DARRY RING JEWELRY (MALAYSIA) SDN.BHD.	Business needs	Newly established	Not significant
Hangzhou DR True Love Jewelry Co., Ltd.	Business adjustments	Cancelled	Not significant
Henan DR Jewelry Co., Ltd.	Business adjustments	Cancelled	Not significant

## X. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) Composition of the Group

Unit: RMB

Name of subsidiary	Registered capital	Principal place of operation	Place of registration	Nature of business	Shareholding proportion		Acquisition method
					Direct	Indirect	
DRGROUP COMPANY LIMITED	30,000,000.00 <sup>1</sup>	Hong Kong, China	Hong Kong, China	Store sales in Hong Kong and overseas loose stone procurement		100.00%	Establishment
Shanghai Darry Diamond Co., Ltd.	5,000,000.00	Shanghai	Shanghai	Member of Shanghai Diamond Exchange, responsible for the procurement and customs declaration of overseas loose stone	100.00%		Establishment
Chongqing Darry Jewelry Co., Ltd.	4,000,000.00	Chongqing	Chongqing	Store sales in Chongqing	100.00%		Establishment
Shenzhen Love Only AI Cloud Technology Co., Ltd.	25,000,000.00	Shenzhen	Shenzhen	Information technology services	100.00%		Establishment
Couple Only (Shenzhen)	5,000,000.00	Shenzhen	Shenzhen	Sub-brand cultivation	100.00%		Establishment

Jewelry Co., Ltd.							
Shenzhen Darry Commercial Management Service Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Supply chain management, R&D design, customised product services and related supporting services	100.00%		Establishment
DARRY JEWELRY (HK) LIMITED	1,289,000.00 <sup>2</sup>	Hong Kong, China	Hong Kong, China	Sub-brand cultivation		100.00%	Establishment
Couple Only Jewelry Hong Kong Company Limited	10,000,000.00 <sup>3</sup>	Hong Kong, China	Hong Kong, China	Sub-brand cultivation		100.00%	Establishment
DR Jewelry	1,000,000.00 <sup>4</sup>	France	France	Sales in France		100.00%	Establishment
He'er Culture (Shenzhen) Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Creative planning services	100.00%		Establishment
Haoduo Diamond (Shenzhen) Co., Ltd.	60,000,000.00	Shenzhen	Shenzhen	Responsible for domestic loose stone procurement	100.00%		Establishment
Xiamen DR Jewelry Co., Ltd.	1,000,000.00	Xiamen	Xiamen	Store sales in Xiamen	100.00%		Establishment
Shenyang DR Jewelry Co., Ltd.	1,000,000.00	Shenyang	Shenyang	Store sales in Shenyang	100.00%		Establishment
Tianjin DR Jewelry Co., Ltd.	5,000,000.00	Tianjin	Tianjin	Store sales in Tianjin	100.00%		Establishment
Chengdu DR Jewelry Co., Ltd.	5,000,000.00	Chengdu	Chengdu	Store sales in Chengdu	100.00%		Establishment
Kunming DR Jewelry Co., Ltd.	5,000,000.00	Kunming	Kunming	Store sales in Kunming	100.00%		Establishment
Shanghai DR Jewelry Co., Ltd.	3,000,000.00	Shanghai	Shanghai	Store sales in Shanghai	100.00%		Establishment
Suzhou Zhongzuan DR Jewelry Co., Ltd.	3,000,000.00	Suzhou	Suzhou	Store sales in Suzhou	100.00%		Establishment
Jinan DR Jewelry Co., Ltd.	4,000,000.00	Jinan	Jinan	Store sales in Jinan	100.00%		Establishment
Shenzhen DR Jewelry	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment

Co., Ltd.							
Beijing Zhongzuan DR Jewelry Co., Ltd	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Suzhou DR Jewelry Co., Ltd.	1,000,000.00	Suzhou	Suzhou	Store sales in Suzhou	100.00%		Establishment
Shenyang DR Jewelry Accessories Co., Ltd.	3,000,000.00	Shenyang	Shenyang	Store sales in Shenyang	100.00%		Establishment
Hangzhou DR Jewelry Co., Ltd.	5,000,000.00	Hangzhou	Hangzhou	Store sales in Hangzhou	100.00%		Establishment
Beijing DR Jewelry Co., Ltd.	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Wuhan Zhongzuan DR Jewelry Co., Ltd.	1,000,000.00	Wuhan	Wuhan	Store sales in Wuhan	100.00%		Establishment
Xi'an DR Jewelry Co., Ltd.	1,000,000.00	Xi'an	Xi'an	Store sales in Xi'an	100.00%		Establishment
Chengdu DR True Love Jewelry Co., Ltd.	1,000,000.00	Chengdu	Chengdu	Store sales in Chengdu	100.00%		Establishment
Ningbo DR Jewelry Co., Ltd.	5,000,000.00	Ningbo	Ningbo	Store sales in Ningbo	100.00%		Establishment
Beijing Huazuan DR Jewelry Co., Ltd.	1,000,000.00	Beijing	Beijing	Store sales in Beijing	100.00%		Establishment
Chongqing DR Jewelry Co., Ltd.	4,000,000.00	Chongqing	Chongqing	Store sales in Chongqing	100.00%		Establishment
Xi'an Zhongzuan DR Jewelry Co., Ltd	3,000,000.00	Xi'an	Xi'an	Store sales in Xi'an	100.00%		Establishment
Zhengzhou DR Jewelry Co., Ltd.	3,000,000.00	Zhengzhou	Zhengzhou	Store sales in Zhengzhou	100.00%		Establishment
Shenzhen DR Jewelry Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment
Shenzhen DR Jewelry Ornament Co., Ltd.	1,000,000.00	Shenzhen	Shenzhen	Store sales in Shenzhen	100.00%		Establishment
Changsha DR Jewelry Co., Ltd.	5,000,000.00	Changsha	Changsha	Store sales in Changsha	100.00%		Establishment
Shanghai DR	1,000,000.00	Shanghai	Shanghai	Store sales in	100.00%		Establishment

Jewelry Ornament Co., Ltd.				Shanghai			t
Shanghai DR Jewelry Sales Co., Ltd.	1,000,000.00	Shanghai	Shanghai	Store sales in Shanghai	100.00%		Establishment
Xining DR Jewelry Co., Ltd.	1,000,000.00	Xining	Xining	Store sales in Xining	100.00%		Establishment
Yinchuan DR Jewelry Co., Ltd.	1,000,000.00	Yinchuan	Yinchuan	Store sales in Yinchuan	100.00%		Establishment
Jining DR Jewelry Co., Ltd.	1,000,000.00	Jining	Jining	Store sales in Jining	100.00%		Establishment
Mianyang DR Jewelry Co., Ltd.	1,000,000.00	Mianyang	Mianyang	Store sales in Mianyang	100.00%		Establishment
Guiyang DR Jewelry Co., Ltd.	1,000,000.00	Guiyang	Guiyang	Store sales in Guiyang	100.00%		Establishment
Haoduo Diamond Zhizao (Shenzhen) Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Cutting and production of rough diamonds		100.00%	Establishment
He'er Culture (Hainan) Co., Ltd.	150,000,000.00	Sanya	Sanya	Cultural and creative services	100.00%		Establishment
Shenzhen DR Jewelry Sales Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Jewelry retail business	100.00%		Establishment
Lifetime Love Wedding Planning (Shenzhen) Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Wedding planning services	100.00%		Establishment
Happy Love Psychology Research Center (Shenzhen) Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Happiness and love related research and consulting	100.00%		Establishment
DR LUXURY (SINGAPORE) PTE.LTD.	26,838,000.00 <sup>5</sup>	Singapore	Singapore	Responsible for overseas investment and sales in Singapore		100.00%	Establishment
DR Luxury Netherlands Holding B.V.	100,000.00 <sup>6</sup>	Netherlands	Netherlands	Investment management		100.00%	Establishment
LOVEMON T (MALAYSI	1.00 <sup>7</sup>	Malaysia	Malaysia	Sales in Malaysia		100.00%	Establishment

A) SDN.BHD.							
DR LUXURY USA INC	75,000.00 <sup>8</sup>	USA	USA	Sales in the United State of America		100.00%	Establishmen t
Lifetime Love Wedding Planning (Sanya) Co., Ltd.	5,000,000.00	Sanya	Sanya	Wedding planning services		100.00%	Establishmen t
LOVEMON T HONGKON G LIMITED	100,000.00 <sup>9</sup>	Hong Kong, China	Hong Kong, China	Overseas loose diamond procurement		100.00%	Establishmen t
Garland (Shenzhen) Jewelry Co., Ltd.	500,000.00 <sup>10</sup>	Shenzhen	Shenzhen	Jewelry retail		100.00%	Establishmen t
Garland International	10,000.00 <sup>11</sup>	France	France	Sales in France		100.00%	Establishmen t

Note: 1 The currency is HKD.

2 The currency is USD.

3 The currency is HKD.

4 The currency is EUR.

5 The currency is SGD.

6 The currency is EUR.

7 The currency is MYR.

8 The currency is USD.

9 The currency is USD.

10 The currency is SGD.

11 The currency is EUR.

Description of the reason why the shareholding proportion held in subsidiary is different from the voting right proportion:

Not applicable

The basis for holding half or fewer of the voting rights but still controlling the investee, and for holding more than half of the voting rights without controlling the investee:

Not applicable

For significant structured entities included in the scope of consolidation, the basis for control:

Not applicable

Basis for determining whether the Company is an agent or a principal:

Not applicable

Other descriptions:

## 2. Interests in joint ventures and associates

### (1) Summarised financial information of insignificant joint ventures and associates

Unit: RMB

	Closing balance/Amount for the current period	Opening balance/Amount for the prior period
Joint ventures:		
Total of the following calculated based on shareholding proportion		
Associates:		
Total carrying amount of investments	38,818,109.40	
Total of the following calculated based on shareholding proportion		
--Net profit	-2,381,890.60	
--Total comprehensive income	-2,381,890.60	

Other descriptions:

As at 31 December 2025, there is no significant limitations over the ability of associates to transfer funds to the Group.

## XI. GOVERNMENT GRANTS

### 1. Government grants recognised according to amounts receivable at the end of the reporting period

Applicable Not applicable

Reasons for failing to receive the estimated amount of government grants at the estimated time point

Applicable Not applicable

### 2. Items of liabilities related to government grants

Applicable Not applicable

### 3. Government grants included in profit or loss for the period

Applicable Not applicable

Unit: RMB

Accounts	Amount for the current period	Amount for the prior period
Government grants related to income which are included in other income	3,185,640.05	2,792,775.88
VAT refund upon collection	8,864,789.68	7,740,248.29
Total	12,050,429.73	10,533,024.17

Other descriptions

## XII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

### 1. Various risks arising from financial instruments

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, accounts receivable, other receivables, non-current assets due within one year, WMPs in other current assets, debt investments, other non-current financial assets, other non-current assets, borrowings, held-for-trading financial liabilities, notes payable, accounts payable, other payables, lease liabilities, etc. The Group's financial instruments as at the end of the year are as follows. Risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

Unit: RMB

Financial assets	31 December 2025	31 December 2024
Measured at FVTPL		
Held-for-trading financial assets	4,614,532,944.58	4,579,301,487.22
Other non-current financial assets	309,215,157.75	403,675,066.37
Measured at amortised cost		
Cash and bank balances	255,453,050.05	139,789,945.04
Accounts receivable	76,231,588.58	80,913,074.97
Other receivables	6,849,519.33	5,861,059.14
Non-current assets due within one year	629,841,781.93	433,485,362.17
Other current assets (WMPs with fixed income)	87,285,227.42	150,009,254.44
Debt investments	20,913,414.28	569,885,924.01
Other non-current assets	23,637,116.29	22,796,044.75
<b>Financial liabilities</b>		
Measured at FVTPL		
Held-for-trading financial liabilities		144,722,831.86
Measured at amortised cost		
Short-term borrowings	790,302,899.14	339,509,472.61
Notes payable	73,961,196.53	32,833,149.16
Accounts payable	35,318,002.01	31,342,378.26
Other payables	57,528,339.01	284,488,227.25
Non-current liabilities due within one year	117,123,268.18	118,680,935.15
Lease liabilities	70,683,200.60	57,720,087.24

The Group adopts sensitivity analysis technique to analyse how the profit or loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in

an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

Risk management objectives, policies, and procedures and changes in the year

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group's operation performance, and maximise the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to mitigate risks associated with financial instruments through appropriate diversified investments and business portfolios, and to reduce concentration risks on certain counterparties by establishing corresponding risk management policies.

#### 1.1. Market risk

##### 1.1.1. Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with USD. Except for part of several subsidiaries' purchases and sales are denominated in foreign currency, the Group's other principal activities are denominated and settled in RMB. As at 31 December 2025, the balance of the Group's assets and liabilities are both denominated in RMB except that the assets set out below are denominated in USD. Currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Group's operation performance.

Unit: RMB

Item	31 December 2025	31 December 2024
Cash and bank balances		
USD	36,127,777.14	29,525,678.44
Accounts receivable		
USD	387,860.92	20,632,984.35
Accounts payable		
USD	5,957,979.40	320,249.91
Other payables		
USD	1,390,667.27	1,493,113.99

##### Sensitivity analysis on currency risk

The Group has not conducted foreign exchange hedging. The assumption for the sensitivity analysis on currency risk is that all hedges of net investments in foreign operations and the cash flow hedges are highly effective. On the basis of the above assumption, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Unit: RMB

Item	Changes in exchange rate	2025		2024	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
USD	Depreciation by 3% of RMB against USD	875,009.74	875,009.74	1,450,358.97	1,450,358.97
USD	Appreciation by 3% of RMB against USD	-875,009.74	-875,009.74	-1,450,358.97	-1,450,358.97

##### 1.1.2. Interest rate risk: risk of changes in cash flows

The Group's exposure to changes in cash flows from financial instruments due to changes in interest rates relates primarily to variable-rate bank borrowings (see Section VIII, Note VII, 20 for details). The Group closely monitors the effects of changes in the interest rates on the Group's interest rate risk exposures. The Group's policy is to keep its borrowings at floating interest rates, and currently, there is no other arrangements such as interest rate swaps.

Sensitivity analysis on interest rate risk

Where all other variables are held constant, reasonably possible changes in the interest rate may have the following pre-tax effect on the profit or loss for the year and shareholders' equity:

Unit: RMB

Item	Changes in interest rate	2025		2024	
		Effect on profits	Effect on shareholders' equity	Effect on profits	Effect on shareholders' equity
Bank borrowings with floating interest rates	50 BP increase in interest rate	-725,000.00	-725,000.00	-85,000.00	-85,000.00
Bank borrowings with floating interest rates	50 BP decrease in interest rate	725,000.00	725,000.00	85,000.00	85,000.00

### 1.1.3. Other price risk

The Group's price risk arises primarily from changes in fair value of held-for-trading financial assets at FVTPL, other non-current financial assets, and held-for-trading financial liabilities at FVTPL. The Group manages the risk by holding investment portfolios with various risks.

Under the assumption that all other variables are held constant, a 5% increase or decrease in fair value of held-for-trading financial assets (including other non-current financial assets) and held-for-trading financial liabilities (based on the carrying amount as at the balance sheet date) would result in a corresponding increase or decrease of RMB246,187,405.12 in the Group's profit or loss before tax and shareholders' equity for the period (31 December 2024: approximately RMB241,912,686.09).

### 1.2. Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a credit loss to the Group due to failure to discharge an obligation by the counterparties is arising from cash and bank balances, held-for-trading financial assets, accounts receivable, other receivables, other current assets (fixed income WMPs), debt investments, etc. At the balance sheet date, the carrying amount of the Group's financial assets has represented its maximum credit risk exposure. Management will continue to monitor these credit risk exposures. In order to minimise the credit risk, the Group has specialists responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate credit loss allowances are made for corresponding financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on cash and bank balances and held-for-trading financial assets is limited because the counterparties of these financial instruments are banks with a good reputation and high credit ratings.

As the Group conducts business only with recognised and reputable third parties, no collateral is required. Credit risk concentration is managed by sector. The Group has certain credit risk concentration. As at 31 December 2025, 63.93% of its trade receivables (31 December 2024: 62.78%) relates to stores which collect payments on behalf of the Group.

### 1.3. Liquidity risk

The Group's objective is to utilise a variety of financing methods to maintain a balance between the continuity and flexibility of financing. The Group finances its operations through funds generated from both operations and borrowings.

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Unit: RMB

Item	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Short-term borrowings	792,122,899.14				792,122,899.14
Notes payable	73,961,196.53				73,961,196.53
Accounts payable	35,318,002.01				35,318,002.01
Other payables	57,528,339.01				57,528,339.01
Non-current liabilities due within one year	120,541,671.57				120,541,671.57
Lease liabilities		72,560,305.85			72,560,305.85

### XIII. DISCLOSURE OF FAIR VALUE

#### 1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement	--	--	--	--
(1) Held-for-trading financial assets		4,923,748,102.33		4,923,748,102.33
1. Financial assets at FVTPL		4,923,748,102.33		4,923,748,102.33
(1) Other non-current financial assets		309,215,157.75		309,215,157.75
(2) Held-for-trading financial assets		4,614,532,944.58		4,614,532,944.58
Total assets measured continuously at fair value		4,923,748,102.33		4,923,748,102.33
II. Non-continuous fair value measurement	--	--	--	--

#### 2. Qualitative and quantitative information about valuation techniques and significant inputs used for recurring and non-recurring Level 2 fair value measurements

For wealth management products measured at fair value with fair value changes recognized in current profit or loss, the fair value is determined by discounting the expected future cash flows, which are estimated based on the market-obtainable expected yield rate, using an interest rate derived from the best estimate of the expected risk level.

#### 3. Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate their fair values.

## XIV. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### 1. Parent of the Company

Name of the parent company	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent	Proportion of the Company's voting power held by the parent
DR Investment (Zhuhai) Co., Ltd.	Zhuhai	Business management consulting, business information consulting, investment management, etc.	RMB50,000,000	85.44%	85.44%

Description of the parent of the Company

The Company's ultimate controlling party is Lu Yiwen and Zhang Guotao.

Other descriptions:

### 2. Subsidiaries of the Company

Details of subsidiaries of the Company are set out in Note VIII. INTERESTS IN OTHER ENTITIES, 1、 Interests in subsidiaries

### 3. Other related parties

Other related parties	Relationship with the Company
Directors, general managers and other senior management personnel of the Company	Key management personnel of the Company

Other descriptions:

### 4. Related party transactions

#### Compensation for key management personnel

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Compensation to key management personnel	7,527,865.68	9,833,094.65
Including: Equity incentives	14,436.89	245,133.44

## XV. SHARE-BASED PAYMENTS

### 1. Overall information of share-based payments

Applicable Not applicable

Unit: RMB

Category of granting object	Granted during the period		Exercised during the period		Unlocked during the period		Lapsed during the period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management	715,986.00	10,666,689.25			2,071.23	14,436.89	178,996.50	2,666,672.31
Total	715,986.00	10,666,689.25			2,071.23	14,436.89	178,996.50	2,666,672.31

Share options and other equity instruments outstanding at the end of the period

Applicable Not applicable

Other descriptions:

#### 1. Share-based payment plans of 2019 and 2020

On 20 November 2019, the Company held the second extraordinary general meeting of 2019, and approved the "DR Corporation Limited Equity Incentive Scheme" to grant 2,412,000 restricted shares of the Company to 12 incentive recipients through Gongqingcheng Wendy No.1 Investment Management Partnership (Limited Partnership) and Gongqingcheng Wendy No.2 Investment Management Partnership (Limited Partnership), with 20 November 2019 as the grant date. The grant price was RMB1.67 per share. Gongqingcheng Wendy No.1 Investment Management Partnership (Limited Partnership) and Gongqingcheng Wendy No.2 Investment Management Partnership (Limited Partnership) had set restrictive conditions, namely, the incentive shares held by the incentive recipients would meet vesting conditions in accordance with the terms of the incentive scheme 5 years after the grant date only, and the Company's shares held by the incentive recipients could not be transferred within 3 years from the date of listing on the Shenzhen Stock Exchange.

On 11 March 2020, the Company held the second extraordinary general meeting of 2020, and approved the amendment to the equity incentive scheme "DR Corporation Limited Equity Incentive Scheme", which added that in the case that the incentive recipients had left the Company within 5 years and the Company had been listed, the incentive shares held by the incentive recipients after years of service since the grant date would meet vesting conditions. At the same time, pursuant to the revised equity incentive scheme, the Group granted 810,000 new restricted shares to 2 incentive recipients through Gongqingcheng Wendy No. 1 Investment Management Partnership (Limited Partnership) on 11 March 2020 at a grant price of RMB1.67 per share.

Based on the fair value of restricted shares at the time of grant and the estimated vesting commencement date and turnover rate assessed by the valuation firm engaged by the Company according to the income method, the total share-based payments to be recognised in 2025 are RMB14,436.89 (2024: RMB358,026.60).

#### 2. 2025 Restricted Share Incentive Plan

On 26 August and 27 August 2025, the Company held the fourth meeting of the Compensation and Assessment Committee of the second Board of Directors and the fifteenth meeting of the second Board of Directors, respectively, approving the "Proposal on the First Grant of Restricted Shares to Incentive Recipients of the 2025 Restricted Share Incentive Plan". The date 28 August 2025 was determined as the first grant date, and a total of 716,000 restricted shares were granted to 27 eligible incentive recipients for the first time. Specifically, 264,600 Class I restricted shares were granted to 2 incentive recipients for the first time, and 451,400 Class II restricted shares were granted to 25 incentive recipients for the first time. The grant price is RMB15.12 per share. The incentive plan consists of two parts: Class I restricted share incentive plan and Class II restricted share incentive plan. The source of shares is the Company's A-share common stock issued to the incentive recipients.

The locking periods for Class I restricted shares under the first grant of the incentive plan are respectively 12, 24, 36, and 48 months from completion of registration for the grant. Incentive recipients shall not transfer the Class I restricted shares received in this incentive plan or use them to secure or repay debts before they are unlocked for trading. Upon expiration of the locking period, the Company would handle the unlocking matters for incentive recipients who satisfy the unlocking conditions. Class I restricted shares held by incentive recipients who fail to satisfy the unlocking conditions will be bought back and cancelled by the Company.

The assessment period for restricted shares under the first grant of the incentive plan is 4 years from 2025 to 2028, with assessment done once in each of these accounting years. The achievement of the performance assessment goal by the incentive recipients is one of the unlocking conditions for the year. The performance assessment goal of each year for the first grant of the incentive plan is set out in the table below:

Unlocking period	Assessment year	Performance assessment goal
First unlocking period	2025	On the basis of operating income of 2024, growth rate for operating income of 2025 > 10% and net profit (net of non-recurring profit or loss) > RMB36 million
Second unlocking period	2026	On the basis of operating income of 2024, growth rate for operating income of 2026 > 20% and net profit (net of non-recurring profit or loss) > RMB100 million
Third unlocking period	2027	On the basis of operating income of 2024, growth rate for operating income of 2027 > 33% and net profit (net of non-recurring profit or loss) > RMB150 million
Fourth unlocking period	2028	On the basis of operating income of 2024, growth rate for operating income of 2028 > 46% and net profit (net of non-recurring profit or loss) > RMB200 million

Since the Group's operating income in 2025 only increased by 2.54% compared to same period of prior year and its net profit (net of non-recurring profit or loss) is RMB4,208,100, not reaching the performance assessment goal, and the management of the Company estimates that the possibility of reaching the performance assessment goal in the remaining assessment years is low, no share-based payment is recognised in the year.

## 2. Equity-settled share-based payments

Applicable Not applicable

Unit: RMB

The method of determining the fair value of equity instruments at the grant date	Income method
Significant parameters for determining the fair value of equity instruments at the grant date	Expected income growth rate, perpetual growth rate and discount rate
Basis of determining the number of equity instruments to be vested	Best estimate of the number of equity instruments expected to be vested at the end of the year
Reasons for the significant difference between the estimate in the current period and that in the prior period	None
Cumulative amount of equity-settled share-based payments included in capital reserve	26,904,004.81
Total expenses recognised arising from equity-settled share-based payments in the current period	14,436.89

Other descriptions:

### 3. Share-based payments in the current period

Applicable Not applicable

Unit: RMB

Category of granting object	Equity-settled share-based payments	Cash-settled share-based payments
Management	14,436.89	
Total	14,436.89	

Other descriptions:

## XVI. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

### 1. Significant non-adjusting events

Unit: RMB

Item	Contents	Affected amount in financial position and results of operations	Reasons why the affected amount cannot be estimated
Significant investments	In 2025, the Group contributed a total of RMB40 million to Palace Jewelry and obtained 40.00% equity interest in Palace Jewelry. On 15 January 2026, pursuant to the resolution of the shareholders' meeting of Palace Jewelry, all shareholders unanimously agreed that the Group would make an additional contribution of RMB22.45 million to Palace Jewelry, whilst the other two shareholders waived their pre-emptive rights in the additional contribution. Following the additional contribution, the Group's shareholding proportion in Palace Jewelry changed to 51.00%, becoming its controlling shareholder. Palace Jewelry was included in the scope of the Group's consolidated financial statements in January 2026.	22,450,000.00	

### 2. Profit distribution

Proposed distribution of dividends for each 10 shares (RMB)	5
Proposed distribution of bonus shares for each 10 shares	0

(Shares)	
Proposed additional transfer for each 10 shares (Shares)	0
Approved distribution of dividends for each 10 shares (RMB)	5
Approved distribution of bonus shares for each 10 shares (Shares)	0
Approved additional transfer for each 10 shares (Shares)	0
Profit distribution plan	On the basis of the Company's total share capital amounting to 400,274,550 shares as at 31 December 2025, the Company plans to distribute RMB5.00 (tax inclusive) for each 10 shares to all the shareholders, representing distribution of cash dividends totalling RMB200,137,275.00 (tax inclusive). No bonus shares will be distributed. No capital reserve will be transferred to paid-in capital. The profit distribution proposal still needs to be reviewed and approved by the company's shareholders' meeting.

## XVII. OTHER SIGNIFICANT EVENTS

### 1. Segment information

#### (1) Determination basis and accounting policies of reporting segments

Considering the internal structure, management requirements and internal reporting system and other aspects, the management of the Group believes that the businesses of the companies in the Group share obvious similarities, all of which are in the jewelry retail industry. Management regularly reviews the Group's overall financial statements for resource allocation and performance evaluation, and according to Accounting Standard for Business Enterprises No. 35-Segment Reporting, the Group's operations constitute a single operating segment, therefore, no segment reporting information is prepared.

#### (2) Other descriptions

##### (1) Information about products and services

External income

Unit: RMB

Item	2025	2024
Engagement diamond rings	1,134,543,007.27	1,135,857,760.62
Wedding diamond rings	320,576,493.04	296,072,560.15
Other accessories	47,932,726.49	42,357,859.96
Other operating activities	17,071,043.76	8,134,973.25
Total	1,520,123,270.56	1,482,423,153.98

##### (2) Geographic information

The Group's geographical division is relatively concentrated, and 93.56% of the external income was attributable to the Chinese mainland region in 2025 (2024: 96.57%); As at 31 December 2025, 72.60% of non-current assets were attributable to the Chinese mainland region (31 December 2024: 99.49%).

##### (3) Information about major customers

The Group's customers are relatively diverse and there is no single customer with more than 10% of the Group's transaction volume.

## 2. Others

Comparative data of same period: To be in line with the presentation method of the financial statements, the Group made reclassification adjustments to some comparative data.

## XVIII. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

### 1. Accounts receivable

#### (1) Disclosures by ageing:

Unit: RMB

Ageing	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Within 1 year (inclusive)	223,093,694.74	160,770,623.58
1-2 years	29,227.15	175,105.16
Total	223,122,921.89	160,945,728.74

#### (2) Disclosure of methods for determining allowances for bad debts by category

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Allowances for bad debts		Carrying amount	Gross carrying amount		Allowances for bad debts		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Including:										
Accounts receivable for which allowances for bad debts are made on a portfolio basis	223,122,921.89	100.00%	2,760,373.05	1.24%	220,362,548.84	160,945,728.74	100.00%	2,773,964.30	1.72%	158,171,764.44
Including:										
Amounts due from subsidiaries	151,887,653.11	68.07%			151,887,653.11	92,061,258.26	57.20%			92,061,258.26

ies										
Amounts due from POS terminals and e-commerce platforms	26,765,270.62	12.00%			26,765,270.62	22,614,843.45	14.05%			22,614,843.45
Amounts due from shopping malls	44,469,998.16	19.93%	2,760,373.05	6.21%	41,709,625.11	46,269,627.03	28.75%	2,773,964.30	6.00%	43,495,662.73
<b>Total</b>	<b>223,122,921.89</b>	<b>100.00%</b>	<b>2,760,373.05</b>	<b>1.24%</b>	<b>220,362,548.84</b>	<b>160,945,728.74</b>	<b>100.00%</b>	<b>2,773,964.30</b>	<b>1.72%</b>	<b>158,171,764.44</b>

Allowances for bad debts made on a portfolio basis: RMB2,760,373.05

Unit: RMB

Name	Closing balance		
	Gross carrying amount	Allowances for bad debts	Proportion
Amounts due from subsidiaries	151,887,653.11		
Amounts due from POS terminals and e-commerce platforms	26,765,270.62		
Amounts due from shopping malls	44,469,998.16	2,760,373.05	6.21%
<b>Total</b>	<b>223,122,921.89</b>	<b>2,760,373.05</b>	

Description of basis for determining a portfolio

In the case that allowances for bad debts of accounts receivable are made in accordance with ECL general model:

Applicable  Not applicable

Allowances for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL (Not credit-impaired)	Life-time ECL (Credit-impaired)	
Balance at 1 January 2025		2,773,964.30		2,773,964.30
Balance at 1 January 2025 made in the current period				
Provision		861,007.77		861,007.77
Reversal		874,599.02		874,599.02
Balance at 31 December 2025		2,760,373.05		2,760,373.05

Basis for the division of each stage and proportion of allowance for bad debts

Description of significant changes in gross carrying amount of accounts receivable with changes in allowances for bad debts in this period:

### (3) Allowances for bad debts provided, recovered or reversed in the current period

Allowances for bad debts in the current period:

Unit: RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Amounts due from shopping malls	2,773,964.30	861,007.77	874,599.02			2,760,373.05
<b>Total</b>	<b>2,773,964.30</b>	<b>861,007.77</b>	<b>874,599.02</b>			<b>2,760,373.05</b>

Including: significant recovery or reversal of allowances for bad debts in the current period:

Unit: RMB

Name	Amount recovered or reversed	Reason for reversal	Methods for recovery	The basis and rationality of determining the proportion for original allowances for bad debts

### (4) Top five closing balances of accounts receivable and contract assets categorised by debtor

Unit: RMB

Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion of total closing balance of accounts receivable and contract assets	Closing balance of allowances for bad debts of accounts receivable and impairment provision for contract assets
Company14	67,359,587.81		67,359,587.81	30.19%	
Company15	40,417,709.13		40,417,709.13	18.11%	
Company16	24,579,311.50		24,579,311.50	11.02%	
Company17	12,164,387.43		12,164,387.43	5.45%	
Company1	8,754,048.91		8,754,048.91	3.92%	
<b>Total</b>	<b>153,275,044.78</b>		<b>153,275,044.78</b>	<b>68.69%</b>	

## 2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Dividends receivable	40,000,000.00	
Other receivables	744,899,194.37	1,074,292,359.51
<b>Total</b>	<b>784,899,194.37</b>	<b>1,074,292,359.51</b>

**(1) Dividends receivable****1) Category of dividends receivable**

Unit: RMB

Item (or investee)	Closing balance	Opening balance
Shenzhen Darry Commercial Management Service Co., Ltd.	40,000,000.00	
Total	40,000,000.00	

**(2) Other receivables****1) Other receivables categorised by nature**

Unit: RMB

Nature	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Amounts due from subsidiaries	740,248,031.35	1,070,228,066.26
Advance payments of social insurances and housing fund borne by employees	2,256,310.28	2,392,220.30
Temporary loans for employees	632,943.64	234,587.30
Others	1,761,909.10	3,342,485.65
Total	744,899,194.37	1,076,197,359.51

**2) Disclosures by ageing:**

Unit: RMB

Ageing	Gross carrying amount at the end of the period	Gross carrying amount at the beginning of the period
Within 1 year (inclusive)	743,426,235.29	1,074,216,213.62
1-2 years	1,472,959.08	76,145.89
Over 3 years		1,905,000.00
3-4 years		1,905,000.00
Total	744,899,194.37	1,076,197,359.51

**3) Disclosure of methods for determining allowances for bad debts by category**

Unit: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Allowances for bad debts		Carrying amount	Gross carrying amount		Allowances for bad debts		Carrying amount
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Allowances for bad debts made on an						1,905,000.00	0.18%	1,905,000.00	100.00%	0.00

individual basis										
Including:										
Allowances for bad debts made on a portfolio basis	744,899,194.37	100.00%			744,899,194.37	1,074,292,359.51	99.82%			1,074,292,359.51
Total	744,899,194.37	100.00%			744,899,194.37	1,076,197,359.51	100.00%	1,905,000.00	0.18%	1,074,292,359.51

Allowances for bad debts made on an individual basis: RMB0

Unit: RMB

Name	Opening balance		Closing balance			
	Gross carrying amount	Allowances for bad debts	Gross carrying amount	Allowances for bad debts	Proportion	Reason
Company 13	1,905,000.00	1,905,000.00				It's estimated that the amount cannot be recovered due to deterioration of the counterparty's operations.
Total	1,905,000.00	1,905,000.00				

Allowances for bad debts made in accordance with ECL general model:

Unit: RMB

Allowances for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL (not credit-impaired)	Life-time ECL (credit-impaired)	
Balance at 1 January 2025			1,905,000.00	1,905,000.00
Balance at 1 January 2025 made in the current period				
Write-off			1,905,000.00	1,905,000.00
Balance at 31 December 2025			0.00	0.00

Basis for the division of each stage and proportion of allowance for bad debts

Changes in gross carrying amount with significant changes in loss allowances in the current period

Applicable Not applicable

**4) Allowances for bad debts provided, recovered or reversed in the current period**

Allowances for bad debts made in the current period:

Unit: RMB

Category	Opening balance	Changes for the current period				Closing balance
		Provision	Recovery or reversal	Write-off	Others	
Allowance for bad debts of other receivables	1,905,000.00			1,905,000.00		0.00
Total	1,905,000.00			1,905,000.00		0.00

Including: material reversal or recovery of allowances for bad debts in the current period:

Unit: RMB

Name	Amount recovered or reversed	Reason for reversal	Methods for recovery	The basis and rationality of determining the proportion for original allowances for bad debts

There was no write-off of other receivables in a large amount in this year.

**5) Actual write-off of other receivables in the current period**

Unit: RMB

Item	Write-off amount
Company 13	1,905,000.00

Including: significant write-off of other receivables in the current period:

Unit: RMB

Name	Nature of other receivables	Write-off amount	Reason for write-off	Write-off procedure performed	Amount arises from related-party transactions or not?

Description of write-off of other receivables

**6) Top five closing balances of other receivables categorised by debtor**

Unit: RMB

Name	Nature of the amount	Closing balance	Ageing	Proportion of total other receivable at the end of the current period	Opening balance of allowances for bad debts

DR Group Company Limited	Amounts due from subsidiaries	667,559,267.53	Within 1 year	89.62%	
Xi'an DEA Jewelry Co., Ltd.	Amounts due from subsidiaries	11,414,583.39	Within 1 year	1.53%	
Beijing Huazundia Jewelry Co., Ltd.	Amounts due from subsidiaries	9,160,228.78	Within 1 year	1.23%	
Wuhan Zhongchuandi'a Jewelry Co., Ltd.	Amounts due from subsidiaries	5,776,347.05	Within 1 year	0.78%	
Kabo'ouli (Shenzhen) Jewelry Co., Ltd.	Amounts due from subsidiaries	4,064,500.00	Within 1 year	0.55%	
<b>Total</b>		<b>697,974,926.75</b>		<b>93.71%</b>	

### 3. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investments in subsidiaries	340,935,477.77		340,935,477.77	346,935,477.77		346,935,477.77
Investments in associates and joint ventures	38,818,109.40		38,818,109.40			
<b>Total</b>	<b>379,753,587.17</b>		<b>379,753,587.17</b>	<b>346,935,477.77</b>		<b>346,935,477.77</b>

#### (1) Investments in subsidiaries

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Changes for the current period				Closing balance (carrying amount)	Closing balance of provision for impairment
			Additional investment	Reduction in investment	Provision for impairment	Others		
Shanghai Darry Diamond Co., Ltd.	5,000,000.00						5,000,000.00	
Chongqing Darry Jewelry Co., Ltd.	4,000,000.00						4,000,000.00	
Shenzhen Love Only AI Cloud	25,000,000.00						25,000,000.00	

Technology Co., Ltd.									
Couple Only (Shenzhen) Jewelry Co., Ltd.	5,000,000.00								5,000,000.00
Shenzhen Darry Commercial Management Service Co., Ltd.	10,000,000.00								10,000,000.00
He'er Culture (Shenzhen) Co., Ltd.	9,935,477.77								9,935,477.77
Haoduo Diamond (Shenzhen) Co., Ltd.	60,000,000.00								60,000,000.00
He'er Culture (Hainan) Co., Ltd.	150,000,000.00								150,000,000.00
Other subsidiaries	78,000,000.00				6,000,000.00				72,000,000.00
<b>Total</b>	<b>346,935,477.77</b>				<b>6,000,000.00</b>				<b>340,935,477.77</b>

## (2) Investments in associates and joint ventures

Unit: RMB

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Changes for the current period							Closing balance (carrying amount)	Closing balance of provision for impairment	
			Addition investment	Reduction in investment	Investment profit or loss recognised under equity method	Other comprehensive income adjustments	Other equity changes	Cash dividends or profit declared	Provision for impairment			Others
I. Joint venture												
II. Associates												
Palace (Beijing) Jewelry Co., Ltd.			40,000,000.00		-2,016,446.37						37,983,553.63	
Airike (Shenz)			1,200,000.00		-365,44						834,555.77	

hen) Jewelr y Co., Ltd.					4.23						
Subtot al			41,200 ,000.0 0		- 2,381, 890.60						38,818 ,109.4 0
Total			41,200 ,000.0 0		- 2,381, 890.60						38,818 ,109.4 0

The recoverable amount is the net amount of fair value less costs to disposal.

Applicable Not applicable

Recoverable amount is determined according to the present value of expected future cash flows

Applicable Not applicable

Reasons for obvious differences between the foregoing information and information or external information used for impairment testing in prior years

Reasons for obvious differences between the information used for impairment testing in prior years by the Company and actual conditions in those years

#### 4. Operating income and operating costs

Unit: RMB

Item	Amount for the current period		Amount for the prior period	
	Income	Cost	Income	Cost
Principal operating activities	1,316,587,529.65	476,247,403.65	1,330,465,611.87	501,043,066.39
Other operating activities	14,722,800.61	23,627,566.81	6,759,220.42	3,374,144.86
Total	1,331,310,330.26	499,874,970.46	1,337,224,832.29	504,417,211.25

Breakdown of operating income and operating costs:

Unit: RMB

Category of contracts	Segment 1		Segment 2				Total	
	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs	Operating income	Operating costs
Type of business								
Including:								
Classified by region of operation								
Including:								

Market or customer type								
Including:								
Type of contract								
Including:								
Classified by time of goods transfer								
Including:								
Classified by contract term								
Including:								
Classified by sales channel								
Including:								
Total								

Information about performance obligations:

Item	Time for fulfilment of performance obligations	Significant payment terms	Nature of the goods the Company commits to transfer	Whether it is the principal	Amount assumed by the Company that is expected to be refunded to the customer	Type of quality assurance provided by the Company and related obligations
Sales of goods	At the time of product delivery	Under normal circumstances, the Company delivers the goods within 15-60 days after the consumer has paid in advance for the order.	Jewelry	Yes	The customer has the right to return the goods within 15 days after receiving them, so it is necessary to estimate the return rate based on the historical sales situation and	N/A

					calculate the provision for return, which is detailed in Section VIII, Note VII, 31.	
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Other descriptions

Under the self-operated model, the performance obligation is completed when the customer receives the goods. Typically for direct store operations, goods are delivered within 30 days of receipt of the contract price; for associated stores in cooperation with shopping malls and e-commerce platforms, the contract price is typically received within 15-60 days of delivery of the goods. The customer has the right to return the goods within 15 days after receiving them, so it is necessary to estimate the return rate based on the historical sales situation and calculate the provision for return, which is detailed in Section VIII, Note VII, 31.

Information related to transaction price allocated to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been contracted but have not yet been fulfilled or completely fulfilled is RMB81,428,085.67.

Significant changes in contracts or material adjustments to transaction prices

Unit: RMB

Item	Accounting treatment	Effect on revenue
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Other descriptions:

## 5. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under cost method	119,073,918.67	263,919,912.52
Income from long-term equity investments under equity method	-2,381,890.60	
Dividend income from debt investments during the holding period	13,641,744.89	439,638.52
Investment income from disposal of debt investments	5,387,490.70	24,713,277.12
Total	135,721,263.66	289,072,828.16

## XIX. SUPPLEMENTAL INFORMATION

### 1. Breakdown of non-recurring profit or loss for the current period

Applicable Not applicable

Unit: RMB

Item	Amount	Description
Gains or losses on disposal of non-	96,641.12	

current assets		
Government grants recognised in profit or loss (other than those closely related to the Company's business, in line with the national regulations, available under established standards and having a continuous impact on the Company's profit or loss)	3,185,640.05	
Gains or losses on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and gains or losses on disposal of financial assets and financial liabilities, other than those used in the effective hedging activities relating to the Company's normal businesses	147,797,640.31 <sup>1</sup>	Gains or losses on changes in fair value of held-for-trading financial assets and investment income from wealth management products during the reporting period.
Reversal of provision for impairment of receivables that are tested for impairment loss individually	262,349.01	
Other non-operating income and expenses other than the above	-4,971,534.28	
Less: Income tax effects	11,473,890.01	
Total	134,896,846.20	--

Note 1: (1) In calculating this amount, financial income of RMB 15,367,349.57 derived from investments in time deposits and large-denomination certificates of deposit has been included in non-recurring gains and losses. The management of Dear Co., Ltd. (hereinafter referred to as "Dear") believes that although certain financial income is related to normal operating activities, due to its special nature, it could likely affect users' assessment of Dear's operating performance and profitability; therefore, such income is classified as non-recurring gains and losses. (2) In calculating this amount, foreign exchange losses of RMB 22,353,713.40 arising from foreign currency receivables/payables specifically used for purchasing financial products have been classified together with the corresponding financial product returns as non-recurring gains and losses. Details of other profit or loss that meets the definition of non-recurring profit or loss:

Applicable Not applicable

The Company has no other specific circumstances that meet the definition of non-recurring profit and loss items.

Description of defining the non-recurring profit and loss items listed in "Explanatory Announcement on Information Disclosure for Companies Offering Securities to the Public No. 1: Non-recurring Profit or Loss" as recurring profit and loss items

Applicable Not applicable

Item	Amount (RMB)	Reason
VAT refund upon collection for the actual tax on diamond imports exceeding 4%	8,864,789.68	Government grants closely related to the Company's business, in line with the national regulations, available under established standards and having a impact on the Company's profit or loss
VAT exemption for small-scale taxpayers with monthly sales not exceeding RMB100,000 (or RMB300,000 for quarterly sales if a quarter is a tax period)	401,734.60	Government grants closely related to the Company's business, in line with the national regulations, available under established standards and having a continuous impact on the Company's profit or loss
Revenue (loss) resulting from early store closure	-737,008.38	Primarily includes store closure losses recognized in gain/(loss) on disposal of assets, and penalty expenses from store

		closures recognized in non-operating expenses. The Group makes decisions regarding store openings and closures as appropriate in response to business development needs and changes in market conditions. The management of the Company considers these activities to be closely related to the Group's ordinary operating activities; therefore, these gains and losses are classified as recurring items.
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## 2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (RMB/Share)	Diluted earnings per share (RMB/Share)
Net profit attributable to ordinary shareholders of the Company	2.21%	0.35	0.35
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	0.07%	0.01	0.01

## 3. Differences in accounting data under domestic and foreign accounting standards

### (1) Differences in net profit and net assets between financial reports under the international accounting standards and the Chinese accounting standards

Applicable Not applicable

### (2) Differences in net profit and net assets between financial reports under the foreign accounting standards and the Chinese accounting standards

Applicable Not applicable

### (3) Reasons for differences in accounting data under domestic and foreign accounting standards. Where adjustments are made for the differences in the data audited by an overseas audit institution, the name of the overseas institution shall be indicated Applicable Not applicable