The following is the text of a report, prepared for inclusion in this Document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AMOS FOOD (GROUP) CO., LTD AND MERRILL LYNCH (ASIA PACIFIC) LIMITED, CHINA MERCHANTS SECURITIES (HK) CO., LTD AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of Amos Food (Group) Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-54, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-54 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
[**REDACTED**]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	1,070,381	1,571,251	2,782,069
Cost of sales		(619,605)	(912,573)	(1,402,289)
Gross profit		450,776	658,678	1,379,780
Other income and gains	*6*	15,542	18,056	18,785
Selling and distribution expenses		(198,924)	(266,656)	(429,503)
Administrative expenses		(73,826)	(107,416)	(135,225)
Research and development expenses		(7,292)	(15,279)	(18,258)
Impairment losses on financial instruments, net		(360)	(6,250)	(3,520)
Other expenses		(2,136)	(2,358)	(3,045)
Finance costs	*8*	(1,337)	(14,173)	(11,985)
PROFIT BEFORE TAX	*7*	182,443	264,602	797,029
Income tax expense	*11*	(45,400)	(66,271)	(197,008)
PROFIT FOR THE YEAR		137,043	198,331	600,021
Attributable to:				
Owners of the parent		137,043	198,331	600,021
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)		2.74	3.97	12.00

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
PROFIT FOR THE YEAR	137,043	198,331	600,021
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	63	1,013	(7,124)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	63	1,013	(7,124)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	63	1,013	(7,124)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	137,106	199,344	592,897
Attributable to:			
Owners of the parent	137,106	199,344	592,897

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	497,802	569,082	563,940
Right-of-use assets	*15(a)*	40,735	45,058	66,328
Other intangible assets	*16*	2,163	2,346	6,116
Deferred tax assets	*28*	7,821	10,383	12,948
Time deposits	*23*	10,663	–	–
Other non-current assets	*18*	11,896	19,146	64,412
Total non-current assets		571,080	646,015	713,744
CURRENT ASSETS				
Inventories	*19*	103,388	205,653	321,796
Trade receivables	*20*	99,414	278,736	365,880
Prepayments, other receivables and other assets	*21*	75,808	76,158	98,718
Prepaid income tax		1,324	3,040	1,799
Financial assets at fair value through profit or loss	*22*	80,325	59,487	442,767
Restricted cash	*23*	3,620	1,018	1,816
Time deposits	*23*	2,374	21,910	–
Cash and cash equivalents	*23*	179,900	204,935	317,989
Total current assets		546,153	850,937	1,550,765
CURRENT LIABILITIES				
Trade payables	*24*	114,983	221,914	233,384
Other payables and accruals	*25*	110,297	136,523	554,183
Contract liabilities	*26*	28,780	29,697	60,490
Interest-bearing bank and other borrowings	*27*	13,583	51,800	114,008
Lease liabilities	*15(b)*	11,470	10,415	16,398
Tax payable		10,310	36,423	114,892
Total current liabilities		289,423	486,772	1,093,355
NET CURRENT ASSETS		256,730	364,165	457,410
TOTAL ASSETS LESS CURRENT LIABILITIES		827,810	1,010,180	1,171,154
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	*27*	274,788	278,615	292,376
Lease liabilities	*15(b)*	5,716	11,669	29,064
Other payables and accruals	*25*	–	11,243	839
Deferred tax liabilities	*28*	53	–	–
Total non-current liabilities		280,557	301,527	322,279
NET ASSETS		547,253	708,653	848,875
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	*29*	15,995	15,995	15,995
Reserves	*31*	531,258	692,658	832,880
Total equity		547,253	708,653	848,875

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Attributable to owners of the parent								
		Paid-in capital	Capital reserve*	Equity-settled share-based payment reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
		RMB'000 (note 29)	RMB'000 (note 31(a))	RMB'000 (note 31(b))	RMB'000 (note 31(c))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023		15,995	199,233	9,579	3,591	(191)	209,659	437,866	2,447	440,313
Profit for the year		–	–	–	–	–	137,043	137,043	–	137,043
Other comprehensive income for the year: Exchange differences on translation of foreign operations		–	–	–	–	63	–	63	–	63
Total comprehensive income for the year		–	–	–	–	63	137,043	137,106	–	137,106
Acquisition of non-controlling interests		–	14	–	–	–	–	14	(2,447)	(2,433)
Share-based payment compensation		–	–	4,598	–	–	–	4,598	–	4,598
Cash dividends	12	–	–	–	–	–	(32,331)	(32,331)	–	(32,331)
Transfer from retained profits		–	–	–	6,514	–	(6,514)	–	–	–
At 31 December 2023		15,995	199,247	14,177	10,105	(128)	307,857	547,253	–	547,253

Year ended 31 December 2024

	Note	Attributable to owners of the parent						
		Paid-in capital	Capital reserve*	Equity-settled share-based payment reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
		RMB'000 (note 29)	RMB'000 (note 31(a))	RMB'000 (note 31(b))	RMB'000 (note 31(c))	RMB'000	RMB'000	RMB'000
At 1 January 2024		15,995	199,247	14,177	10,105	(128)	307,857	547,253
Profit for the year		–	–	–	–	–	198,331	198,331
Other comprehensive income for the year: Exchange differences on translation of foreign operations		–	–	–	–	1,013	–	1,013
Total comprehensive income for the year		–	–	–	–	1,013	198,331	199,344
Share-based payment compensation		–	–	4,167	–	–	–	4,167
Cash dividends	12	–	–	–	–	–	(42,111)	(42,111)
At 31 December 2024		15,995	199,247	18,344	10,105	885	464,077	708,653

Year ended 31 December 2025

		Attributable to owners of the parent						
	Note	**Paid-in capital**	**Capital reserve***	**Equity-settled share-based payment reserve***	**Statutory reserve***	**Exchange fluctuation reserve***	**Retained profits***	**Total equity**
		RMB'000 *(note 29)*	*RMB'000* *(note 31(a))*	*RMB'000* *(note 31(b))*	*RMB'000* *(note 31(c))*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025		15,995	199,247	18,344	10,105	885	464,077	708,653
Profit for the year		–	–	–	–	–	600,021	600,021
Other comprehensive income for the year: Exchange differences on translation of foreign operations		–	–	–	–	(7,124)	–	(7,124)
Total comprehensive income for the year		–	–	–	–	(7,124)	600,021	592,897
Share-based payment compensation		–	–	3,238	–	–	–	3,238
Dividends declared	*12*	–	–	–	–	–	(455,913)	(455,913)
Vesting of share-based payment		–	21,582	(21,582)	–	–	–	–
At 31 December 2025		15,995	220,829	–	10,105	(6,239)	608,185	848,875

* These reserve accounts comprise the consolidated reserves of RMB531,258,000, RMB692,658,000 and RMB832,880,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		182,443	264,602	797,029
Adjustments for:				
Finance costs	*8*	1,337	14,173	11,985
Bank interest income	*6*	(892)	(2,843)	(2,799)
Losses on disposal of property, plant and equipment	*7*	26	648	337
Gains on disposal of right-of-use assets	*6*	(599)	–	–
Fair value gains on financial assets at fair value through profit or loss	*6*	(3,828)	(3,575)	(6,271)
Depreciation of property, plant and equipment	*14*	7,001	26,440	35,302
Depreciation of right-of-use assets	*15(a)*	15,543	14,584	14,603
Amortisation of intangible assets	*16*	295	456	607
Impairment losses on financial assets, net	*7*	360	6,250	3,520
Write-down of inventories to net realisable value	*7*	5,482	12,331	18,126
Foreign exchange gains, net	*6*	(3,709)	(8,325)	(7,228)
Equity-settled share-based payment expense	*7*	4,598	4,167	3,238
Other non-cash expenses		785	6,664	9,429
		208,842	335,572	877,878
Increase in inventories		(39,939)	(114,596)	(134,269)
Decrease/(increase) in trade receivables		17,310	(185,572)	(90,664)
(Increase)/decrease in prepayments, deposits and other receivables		(38,499)	1,410	(22,884)
Increase in other non-current assets		(9,121)	(12,566)	(10,636)
Increase in trade payables		41,440	106,931	11,470
Increase in other payables and accruals		2,568	20,307	44,791
Increase in contract liabilities		2,100	917	30,793
(Increase)/decrease in restricted cash		(3,620)	2,602	(798)
Cash generated from operations		181,081	155,005	705,681
Interest received		557	2,297	2,714
Income tax paid		(55,439)	(44,489)	(119,863)
Net cash flows from operating activities		126,199	112,813	588,532

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment		(245,431)	(82,764)	(112,588)
Proceeds from disposal of items of property, plant and equipment		–	44	3
Purchase of other intangible assets		(1,826)	(1,228)	(10,305)
Purchases of wealth management products and structured deposits		(1,087,438)	(682,939)	(2,054,648)
Proceeds from sale of wealth management products and structured deposits		1,030,941	707,677	1,677,261
Purchases of time deposits		(2,374)	(10,716)	–
Proceeds from sale of time deposits		–	2,390	21,995
Net cash flows used in investing activities		(306,128)	(67,536)	(478,282)
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank and other borrowings		242,181	217,717	481,004
Repayment of bank and other borrowings		(290)	(177,126)	(404,692)
Dividends paid		(32,331)	(42,111)	(55,913)
Principal portion of lease payments		(14,707)	(14,009)	(12,495)
Interest portion of lease payments		(1,136)	(824)	(1,128)
Interest paid		(5,083)	(12,214)	(11,200)
Net cash flows from/(used in) financing activities		188,634	(28,567)	(4,424)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,705	16,710	105,826
Cash and cash equivalents at beginning of year		167,486	179,900	204,935
Effect of foreign exchange differences, net		3,709	8,325	7,228
CASH AND CASH EQUIVALENTS AT END OF YEAR	*23*	179,900	204,935	317,989
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*23*	179,900	204,935	317,989
Cash and cash equivalents as stated in the statement of cash flows		179,900	204,935	317,989

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	3,328	2,810	3,257
Right-of-use assets		995	142	2,710
Other intangible assets	*16*	48	28	3,883
Investment in subsidiaries	*17*	71,831	311,741	313,472
Deferred tax assets		2,215	684	824
Other non-current assets	*18*	154	278	225
Total non-current assets		78,571	315,683	324,371
CURRENT ASSETS				
Inventories	*19*	2,516	8,454	8,695
Trade receivables	*20*	27,670	34,948	55,240
Prepayments, other receivables and other assets	*21*	352,868	309,565	514,725
Financial assets at fair value through profit or loss	*22*	70,322	50,447	198,064
Time deposits	*23*	–	10,911	–
Cash and cash equivalents	*23*	25,804	39,832	73,056
Total current assets		479,180	454,157	849,780
CURRENT LIABILITIES				
Trade payables	*24*	136,638	162,822	106,258
Other payables and accruals	*25*	128,583	144,996	463,476
Contract liabilities	*26*	1,196	1,243	818
Interest-bearing bank and other borrowings	*27*	5,888	9,609	–
Lease liabilities		880	152	623
Tax payable		4,941	29,421	87,522
Total current liabilities		278,126	348,243	658,697
NET CURRENT ASSETS		201,054	105,914	191,083
TOTAL ASSETS LESS CURRENT LIABILITIES		279,625	421,597	515,454
NON-CURRENT LIABILITIES				
Lease liabilities		152	–	2,120
Total non-current liabilities		152	–	2,120
NET ASSETS		279,473	421,597	513,334
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	*29*	15,995	15,995	15,995
Reserves	*31*	263,478	405,602	497,339
Total equity		279,473	421,597	513,334

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Amos Food (Group) Co., Ltd., (the "Company", previously name as "Shenzhen AMOS Sweets & Foods Co., Ltd. (深圳市金多多食品有限公司)") was incorporated and registered in the People's Republic of China (hereinafter referred to as "PRC") as a limited liability company in September 2004. On 10 March 2026, the Company was converted into a joint stock company (further details of which are set out in note 29(a) to the Historical Financial Information). The registered office of the Company is located at Futian Bonded Area, Xinruike Building, 6th Floor, Zone C, Fubao Subdistrict, Futian District, Shenzhen, Guangdong Province, the PRC.

During the Relevant Periods, the Company and its subsidiaries (together as the "Group") were involved in design, manufacturing and sales of candy and confectionery products.

As at the date of this report and during the Relevant Periods, the particulars of the Company's principal subsidiaries are set out below:

Name*	*Notes*	Place of registration and operation and date of establishment	Registered capital	Percentage of equity attributable to the Company — Direct	Percentage of equity attributable to the Company — Indirect	Principal activities
Shenzhen Amos Food Marketing Co., Ltd. (深圳市金多多食品營銷有限公司)*	*(b)*	PRC/ Chinese Mainland 23 May 2011	RMB4,000,000	100%	–	Sales within Chinese Mainland
AMOS SWEET CO., LTD (深圳市阿麥斯食品科技有限公司)*	*(b)*	PRC/ Chinese Mainland 13 January 2006	RMB10,240,000	100%	–	Research and development ("R&D") and manufacturing of food products
Amos Food (Guangdong) Co., Ltd. (阿麥斯(廣東)食品科技有限公司)*	*(b)*	PRC/ Chinese Mainland 15 July 2020	RMB250,000,000	100%	–	R&D and manufacturing of food products
Amos Food (HK) Limited (阿麥斯食品(香港)有限公司)	*(c)*	Hong Kong 12 August 2020	100,000 Shares	100%	–	Overseas Sales Platform
AMOS SWEETS INC.	*(c)*	USA 28 September 2020	USD20,000	–	100%	Overseas Sales Platform
Biobor Health (Guangdong) Co., Ltd. (貝歐寶(廣東)健康科技有限公司)*	*(b)*	PRC/ Chinese Mainland 17 March 2023	RMB10,000,000	100%	–	Manufacturing of nutritional food
Shenzhen AMOS E-commerce Co., Ltd. (深圳市金多多電子商務有限公司)*	*(b)*	PRC/ Chinese Mainland 13 May 2016	RMB1,000,000	–	100%	Online sales within Chinese Mainland

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

* The English names of these companies are translation of their respective Chinese names for identification purpose only as they have not registered any official English names.

Notes:

(a) The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises ("CAS") were audited by RSM China CPA LLP, Shenzhen Branch (容誠會計師事務所(特殊普通合夥)深圳分所). No audited financial statements have been prepared for the Company for the year ended 31 December 2025.

(b) The statutory financial statements of these companies for the years ended 31 December 2023 and 2024 prepared in accordance with the CAS were audited by Shenzhen Dinyu Certified Public Accountants Firm (General Partnership) (深圳市鼎譽會計師事務所(普通合夥)). No audited financial statements have been prepared for these companies for the year ended 31 December 2025.

(c) No audited statutory financial statements have been prepared for these companies since their incorporation or establishment.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Category	Useful Life (Years)	Salvage value rate	Annual depreciation rate
		(%)	*(%)*
Buildings	30	5	3.17
Machinery	5 to 10	5	19 to 9.5
Furniture, fixtures and office equipment	5	5	19
Motor vehicles & others	5	5	19
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives		

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of the Relevant Periods.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years based on the Group's past experiences, usages of the software and the authorised period for such uses.

Trademark

Trademark are shown at historical cost. Trademark had finite useful lives and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark over its estimated useful life of 4 to 10 years.

Research and development expenses

All research costs are charged to the consolidated statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Categories	Estimated useful lives
Land use right	50 years
Warehouses and office premises	2-8 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade payables, other payables and accruals and interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the 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 liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of products

The Group primarily sells its products to customers mainly through offline channels such as retailer and offline distributors and online channels. Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally upon the acceptance by the customer.

Some contracts for the sale of products provide customers with rights of return and volume rebates, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payment

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the discounted cash flow model, further details of which are given in note 30 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the relevant period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the relevant period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the relevant period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Interim dividends are simultaneously proposed and declared, consequently, interim dividends are recognised immediately as a liability when they are proposed and declared. Dividends are disclosed in note 12 to the Historical Financial Information.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference 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 profits together with future tax planning strategies. Further details are contained in note 28 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group has applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products, consumer price index, deposit reserve ratio, inflation rate and rate of unemployment) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision for inventory write-down

The Group measures inventory at the lower of cost and net realisable value in accordance with its accounting policy. A provision for inventory write-down is recognised when the cost of inventory exceeds its net realisable value, or for obsolete and slow-moving items which are identified as no longer suitable for sale or use based on sales forecasts. Identifying impairment of inventory requires management to exercise judgement and make estimates based on conclusive evidence, taking into account factors such as the purpose for holding the inventory, current market conditions and the impact of events occurring after the balance sheet date. Differences between actual outcomes and previous estimates will affect the carrying amount of inventory and the recognition or reversal of inventory write-down provisions in the period in which the estimates are revised.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	502,805	499,616	635,616
Outside-Chinese Mainland	567,576	1,071,635	2,146,453
Total	1,070,381	1,571,251	2,782,069

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

Majority of the non-current assets of the Group were located in Chinese Mainland. Thus, no geographic information of non-current assets is presented.

Information about major customers

Revenue from a single customer or a group of customers under common control which amounted to 10% or more is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	116,341	N/A*	N/A*

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
Sale of products	1,070,381	1,571,251	2,782,069

Revenue from contracts with customers

(a) Disaggregated revenue information

The Group derives revenues at a point in time:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
Goods transferred at a point in time	1,070,381	1,571,251	2,782,069

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sale of products	26,680	28,780	29,697

(b) Performance obligations

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days generally on receipt of the products by customer or upon the confirmation from customer, except for domestic distributors, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

The Group has no revenue contract that has an original expected duration of more than one year, thus management has applied the practical expedient under IFRS 15 and is not required to disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as of the end of each of the Relevant Periods.

6. OTHER INCOME AND GAINS

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Other income				
Bank interest income		892	2,843	2,799
Government grants – income	*i*	5,867	2,678	1,762
Others		647	635	725
Total other income		7,406	6,156	5,286
Gains				
Fair value gains on financial assets at fair value through profit or loss		3,828	3,575	6,271
Foreign exchange gains, net		3,709	8,325	7,228
Gains on termination or revision of leases		599	–	–
Total gains		8,136	11,900	13,499
Total other income and gains		15,542	18,056	18,785

i The government grants have been received by the Group for the purpose to encourage the business development. These grants related to income and assets which are credited to profit or loss immediately and are amortised over the useful lives of relevant assets, respectively. There are no unfulfilled conditions or contingencies related to those grants.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold		562,833	765,821	1,103,281
Depreciation of property, plant and equipment*		2,741	11,499	12,668
Depreciation of right-of-use assets*		11,383	9,069	10,206
Amortisation of other intangible assets*		295	456	607
Lease payments not included in the measurement of lease liabilities		4,182	3,013	3,867
Research and development expenses		1,417	7,141	6,720
Employee benefit expense* (including directors' and chief executive's remuneration as set out in note 9):				
Wages and salaries		129,346	148,063	224,357
Equity-settled share-based payment expense	*31*	4,598	4,167	3,238
Pension scheme contributions		12,047	15,272	21,995
Total		145,991	167,502	249,590
Foreign exchange differences, net		(3,709)	(8,325)	(7,228)
Impairment losses on financial assets, net	*20*	360	6,250	3,520
Write-down of inventories to net realisable value		5,482	12,331	18,126
Losses on disposal of items of property, plant and equipment		26	648	337
Bank interest income		(892)	(2,843)	(2,799)
Fair value gains on financial assets at fair value through profit or loss		(3,828)	(3,575)	(6,271)

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expense are included in "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on lease liabilities	1,136	824	1,128
Interest on bank and other borrowings	5,956	13,667	10,857
Total interest expense	7,092	14,491	11,985
Less: Interest capitalised*	(5,755)	(318)	–
Total	1,337	14,173	11,985

* The capitalisation rate used to determine the amount of borrowing costs eligible for capitalization is 3.9% to 4.0%.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	5,949	5,906	5,918
Performance related bonuses	4,603	4,463	23,561
Pension scheme and social welfare	324	328	444
Total	10,876	10,697	29,923

(a) Independent non-executive directors

In March 2026, Mr. Liao Qian, Mr. Lin Sen and Mr. Wang Wenbo were appointed as the independent non-executive directors of the Company. There were no other fees or emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, a non-executive director and the chief executive:

	Year ended 31 December 2023			
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Ma Enduo *(note i)*	2,052	960	81	3,093
Mr. Ma Hongfan *(note ii)*	1,289	737	81	2,107
Ms. Wu Weijia *(note iii)*	1,647	2,415	81	4,143
Mr. Ye Hai *(note iv)*	961	491	81	1,533
Non-executive director:				
Mr. Cong Yonggang *(v)*	–	–	–	–
Total	5,949	4,603	324	10,876

	Year ended 31 December 2024			
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Ma Enduo *(note i)*	2,035	960	82	3,077
Mr. Ma Hongfan *(note ii)*	1,276	960	82	2,318
Ms. Wu Weijia *(note iii)*	1,637	1,960	82	3,679
Mr. Ye Hai *(note iv)*	958	583	82	1,623
Non-executive director:				
Mr. Cong Yonggang *(v)*	–	–	–	–
Total	5,906	4,463	328	10,697

	Year ended 31 December 2025			
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Ma Enduo *(note i)*	2,048	2,697	111	4,856
Mr. Ma Hongfan *(note ii)*	1,279	1,806	111	3,196
Ms. Wu Weijia *(note iii)*	1,633	18,155	111	19,899
Mr. Ye Hai *(note iv)*	958	903	111	1,972
Non-executive director:				
Mr. Cong Yonggang (v)	–	–	–	–
Total	5,918	23,561	444	29,923

Notes:

(i) Mr. Ma Enduo was appointed as a director and the chief executive of the Company in September 2004.

(ii) Mr. Ma Hongfan was appointed as a director of the Company in November 2013.

(iii) Ms. Wu Weijia was appointed as a director of the Company in September 2004.

(iv) Mr. Ye Hai was appointed as a director of the Company in September 2004.

(v) Mr. Cong Yonggang was appointed as a director of the Company in November 2021.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during years ended 31 December 2023, 2024 and 2025 included four, four, and four directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining one, one and one highest paid employee who was not a director of the Company during years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	959	948	949
Performance related bonuses	246	280	320
Pension scheme and social welfare	78	79	104
Share-based payments	1,982	1,982	1,817
Total	3,265	3,289	3,190

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HKD 4,000,000	1	1	1

11. INCOME TAX

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

Hong Kong profit tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

PRC enterprise income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential EIT rate of 5% for the taxable income below RMB3 million during the years ended 31 December 2023, 2024 and 2025.

United States

Under United States Internal Revenue Code, the subsidiaries established in United States are subject to a unified Federal CIT rate of 21% and variable state income and franchise tax ranging from 0.75% to 9.8% depends on which state the subsidiaries has nexus with.

Other overseas areas

The Company's other overseas subsidiaries are subject to income tax at rates ranging from 8.25% to 30%.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax			
Charge for the year	48,471	68,886	198,569
Underprovision in prior years	5	–	1,004
Deferred income tax *(note 28)*	(3,076)	(2,615)	(2,565)
Total	45,400	66,271	197,008

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	182,443	264,602	797,029
Tax charge at the statutory tax rate of 25%	45,611	66,151	199,257
Effect of different tax rates enacted by local authorities	(1,529)	(2,104)	(3,320)
Adjustments in respect of current tax of previous periods	5	–	1,004
Expenses not deductible for tax	2,235	3,049	1,199
Super deduction for research and development expenses	(1,399)	(1,628)	(1,601)
Tax losses and temporary difference not recognised	477	803	469
Tax charge at the Group's effective rate	45,400	66,271	197,008

12. DIVIDENDS

On 25 June 2023, the Company declared final 2022 dividend of RMB32,331,000 to its shareholders. Such dividend was fully paid by August 2023.

On 26 June 2024, the Company declared final 2023 dividend of RMB42,111,000 to its shareholders. Such dividend was fully paid by July 2024.

On 26 June 2025, the Company declared final 2024 dividend of RMB55,913,000 to its shareholders. Such dividend was fully paid by July 2025.

On 26 August 2025, the Company declared an interim dividend of RMB400,000,000 to its shareholders. Such dividend was fully paid by March 2026.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares in issue during the Relevant Periods. The weighted average numbers of ordinary shares in issue for the Relevant Periods before the conversion of the Company into a joint stock company were determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon conversion of the Company into a joint stock company on 1 March 2026.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
Earnings			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	137,043	198,331	600,021
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	50,000,000	50,000,000	50,000,000

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	–	8,552	41,377	5,490	2,992	239,598	298,009
Accumulated depreciation	–	(3,143)	(15,158)	(2,744)	(2,163)	–	(23,208)
Net carrying amount	–	5,409	26,219	2,746	829	239,598	274,801
At 1 January 2023, net of accumulated depreciation	–	5,409	26,219	2,746	829	239,598	274,801
Additions	–	1,136	590	1,310	1,874	225,117	230,027
Transfers	44,594	–	41,210	–	–	(85,804)	–
Depreciation provided during the year	(177)	(2,261)	(3,388)	(822)	(353)	–	(7,001)
Disposals	–	–	(25)	–	–	–	(25)
At 31 December 2023, net of accumulated depreciation	44,417	4,284	64,606	3,234	2,350	378,911	497,802
At 31 December 2023:							
Cost	44,594	9,688	82,423	6,800	4,866	378,911	527,282
Accumulated depreciation	(177)	(5,404)	(17,817)	(3,566)	(2,516)	–	(29,480)
Net carrying amount	44,417	4,284	64,606	3,234	2,350	378,911	497,802

	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	44,594	9,688	82,423	6,800	4,866	378,911	527,282
Accumulated depreciation	(177)	(5,404)	(17,817)	(3,566)	(2,516)	–	(29,480)
Net carrying amount	44,417	4,284	64,606	3,234	2,350	378,911	497,802
At 1 January 2024, net of accumulated depreciation	44,417	4,284	64,606	3,234	2,350	378,911	497,802
Additions	–	1,932	793	5,397	1,231	89,059	98,412
Transfer	371,122	–	76,740	9,837	–	(457,699)	–
Depreciation provided during the year	(10,370)	(2,410)	(10,587)	(2,360)	(713)	–	(26,440)
Disposals	–	–	(477)	(178)	(37)	–	(692)
At 31 December 2024, net of accumulated depreciation	405,169	3,806	131,075	15,930	2,831	10,271	569,082
At 31 December 2024:							
Cost	415,716	11,620	157,459	21,520	5,492	10,271	622,078
Accumulated depreciation	(10,547)	(7,814)	(26,384)	(5,590)	(2,661)	–	(52,996)
Net carrying amount	405,169	3,806	131,075	15,930	2,831	10,271	569,082

	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	415,716	11,620	157,459	21,520	5,492	10,271	622,078
Accumulated depreciation	(10,547)	(7,814)	(26,384)	(5,590)	(2,661)	–	(52,996)
Net carrying amount	405,169	3,806	131,075	15,930	2,831	10,271	569,082
At 1 January 2025, net of accumulated depreciation	405,169	3,806	131,075	15,930	2,831	10,271	569,082
Additions	–	3,235	369	5,041	246	21,609	30,500
Transfer	1,896	–	15,815	4,543	–	(22,254)	–
Depreciation provided during the year	(13,219)	(2,802)	(14,202)	(4,352)	(727)	–	(35,302)
Disposals	–	–	(248)	(86)	(6)	–	(340)
At 31 December 2025, net of accumulated depreciation	393,846	4,239	132,809	21,076	2,344	9,626	563,940
At 31 December 2025:							
Cost	417,612	14,855	172,164	30,724	5,612	9,626	650,593
Accumulated depreciation	(23,766)	(10,616)	(39,355)	(9,648)	(3,268)	–	(86,653)
Net carrying amount	393,846	4,239	132,809	21,076	2,344	9,626	563,940

At 31 December 2023, the Group's buildings and construction in progress with a carrying value of RMB345,000,000 were pledged to secure banking facilities granted to the Group (note 27).

At 31 December 2024 and 2025, the Group's buildings and machinery with a carrying value of RMB412,388,000 and RMB433,198,000, respectively were pledged to secure banking facilities granted to the Group (note 27).

The Company

	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023:					
Cost	573	5	708	571	1,857
Accumulated depreciation	(573)	(5)	(358)	(36)	(972)
Net carrying amount	–	–	350	535	885
At 1 January 2023, net of accumulated depreciation	–	–	350	535	885
Additions	622	–	500	1,784	2,906
Depreciation provided during the year	(83)	–	(130)	(250)	(463)
At 31 December 2023, net of accumulated depreciation	539	–	720	2,069	3,328
At 31 December 2023:					
Cost	1,195	5	1,208	2,355	4,763
Accumulated depreciation	(656)	(5)	(488)	(286)	(1,435)
Net carrying amount	539	–	720	2,069	3,328

	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	1,195	5	1,208	2,355	4,763
Accumulated depreciation	(656)	(5)	(488)	(286)	(1,435)
Net carrying amount	539	–	720	2,069	3,328
At 1 January 2024, net of accumulated depreciation	539	–	720	2,069	3,328
Additions	–	–	342	–	342
Depreciation provided during the year	(207)	–	(206)	(447)	(860)
At 31 December 2024, net of accumulated depreciation	332	–	856	1,622	2,810
At 31 December 2024:					
Cost	1,195	5	1,550	2,355	5,105
Accumulated depreciation	(863)	(5)	(694)	(733)	(2,295)
Net carrying amount	332	–	856	1,622	2,810

	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025					
At 1 January 2025:					
Cost	1,195	5	1,550	2,355	5,105
Accumulated depreciation	(863)	(5)	(694)	(733)	(2,295)
Net carrying amount	332	–	856	1,622	2,810
At 1 January 2025, net of accumulated depreciation	332	–	856	1,622	2,810
Additions	–	–	1,415	–	1,415
Depreciation provided during the year	(207)	–	(313)	(448)	(968)
At 31 December 2025, net of accumulated depreciation	125	–	1,958	1,174	3,257
At 31 December 2025:					
Cost	1,195	5	2,965	2,355	6,520
Accumulated depreciation	(1,070)	(5)	(1,007)	(1,181)	(3,263)
Net carrying amount	125	–	1,958	1,174	3,257

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of warehouses and office premises used in its operations. Lump sum payments were made upfront to acquire certain parcels of land use rights from local government with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of warehouses and office premises generally have lease terms between 2 and 8 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Warehouses and office premises	Land use right	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	29,794	24,695	54,489
Additions	3,071	–	3,071
Depreciation charge	(15,027)	(516)	(15,543)
Termination or revision of leases	(1,282)	–	(1,282)
As at 31 December 2023 and 1 January 2024	16,556	24,179	40,735
Additions	18,907	–	18,907
Depreciation charge	(14,068)	(516)	(14,584)
As at 31 December 2024 and 1 January 2025	21,395	23,663	45,058
Additions	35,873	–	35,873
Depreciation charge	(14,087)	(516)	(14,603)
As at 31 December 2025	43,181	23,147	66,328

At 31 December 2023, 2024 and 2025, the Group's land use right with a net carrying value of RMB24,179,000, RMB23,663,000 and RMB23,147,000, respectively were pledged to secure general banking facilities granted to the Group (note 27).

(b) ***Lease liabilities***

The carrying amount of Group's lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	30,703	17,186	22,084
New leases	3,071	18,907	35,873
Accretion of interest recognised during the year	1,136	824	1,128
Payments	(15,843)	(14,833)	(13,623)
Termination or revision of leases	(1,881)	–	–
At the end of year	17,186	22,084	45,462
Analysed into:			
Current portion	11,470	10,415	16,398
Non-current portion	5,716	11,669	29,064

The maturity analysis of lease liabilities is disclosed in note 39 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	1,136	824	1,128
Depreciation charge of right-of-use assets	11,383	9,069	10,206
Gains on termination or revision of leases	(599)	–	–
Expense relating to short-term leases	4,182	3,013	3,867
Total amount recognised in profit or loss	16,102	12,906	15,201

(d) The total cash outflow for leases is disclosed in note 32(c) to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

The Group

	Trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	5,389	2,291	7,680
Accumulated amortisation	(5,321)	(1,355)	(6,676)
Net carrying amount	68	936	1,004
Cost at 1 January 2023, net of accumulated amortisation	68	936	1,004
Additions	–	1,454	1,454
Amortisation provided during the year	(20)	(275)	(295)
At 31 December 2023	48	2,115	2,163
At 31 December 2023 and at 1 January 2024:			
Cost	5,389	3,746	9,135
Accumulated amortisation	(5,341)	(1,631)	(6,972)
Net carrying amount	48	2,115	2,163

	Trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024:			
Cost	5,389	3,746	9,135
Accumulated amortisation	(5,341)	(1,631)	(6,972)
Net carrying amount	48	2,115	2,163
Cost at 1 January 2024, net of accumulated amortisation	48	2,115	2,163
Additions	15	624	639
Amortisation provided during the year	(20)	(436)	(456)
At 31 December 2024	43	2,303	2,346
At 31 December 2024 and at 1 January 2025:			
Cost	5,404	4,370	9,774
Accumulated amortisation	(5,361)	(2,067)	(7,428)
Net carrying amount	43	2,303	2,346

	Trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	5,404	4,370	9,774
Accumulated amortisation	(5,361)	(2,067)	(7,428)
Net carrying amount	43	2,303	2,346
Cost at 1 January 2025, net of accumulated amortisation	43	2,303	2,346
Additions	40	4,337	4,377
Amortisation provided during the year	(22)	(585)	(607)
At 31 December 2025	61	6,055	6,116
At 31 December 2025:			
Cost	5,444	8,707	14,151
Accumulated amortisation	(5,383)	(2,652)	(8,035)
Net carrying amount	61	6,055	6,116

The Company

	Trademark
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	110
Accumulated amortisation	(42)
Net carrying amount	68
Cost at 1 January 2023, net of accumulated amortisation	68
Amortisation provided during the year	(20)
At 31 December 2023	48
At 31 December 2023 and at 1 January 2024:	
Cost	110
Accumulated amortisation	(62)
Net carrying amount	48

	Trademark
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	110
Accumulated amortisation	(62)
Net carrying amount	48
Cost at 1 January 2024, net of accumulated amortisation	48
Amortisation provided during the year	(20)
At 31 December 2024	28
At 31 December 2024 and at 1 January 2025:	
Cost	110
Accumulated amortisation	(82)
Net carrying amount	28

	Trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	110	–	110
Accumulated amortisation	(82)	–	(82)
Net carrying amount	28	–	28
Cost at 1 January 2025, net of accumulated amortisation	28	–	28
Additions	39	3,937	3,976
Amortisation provided during the year	(22)	(99)	(121)
At 31 December 2025	45	3,838	3,883
Cost	149	3,937	4,086
Accumulated amortisation	(104)	(99)	(203)
Net carrying amount	45	3,838	3,883

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	55,147	294,397	296,397
Deemed investment arising from share-based payment	16,684	17,344	17,075
Total	71,831	311,741	313,472

18. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for property and equipment and intangible assets	2,256	3,770	48,322
Low-value consumables	7,208	12,580	8,154
Rental deposits	2,432	2,796	7,936
Total	11,896	19,146	64,412

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rental deposits	154	124	176
Others	–	154	49
Total	154	278	225

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	50,990	138,888	249,609
Raw materials	33,112	43,052	42,790
Work in progress	11,814	12,430	13,458
Goods in transit	7,472	11,283	15,939
Total	103,388	205,653	321,796

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	2,516	8,454	8,695
Total	2,516	8,454	8,695

20. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	103,579	289,049	378,875
Allowance for expected credit losses	(4,165)	(10,313)	(12,995)
Trade receivables, net	99,414	278,736	365,880

The Group's trading terms with its customers such as domestic retailers, oversea distributors and retailers are on credit. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group's accounts receivable mainly come from some important customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	98,439	276,957	363,943
Over 1 year	975	1,779	1,937
Total	99,414	278,736	365,880

The movements in the allowance for expected credit losses of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year	3,810	4,165	10,313
Impairment losses, net *(note 7)*	360	6,250	3,520
Amount written off as uncollectible	(5)	(102)	(838)
At the end of year	4,165	10,313	12,995

An impairment analysis is performed at the end of each of the Relevant Periods. The Group applies the simplified approach and assesses the expected credit losses on an individual or portfolio basis by using a provision matrix to measure expected credit losses. The trade receivables that are credit-impaired are assessed for ECLs individually. Collective assessment is performed by grouping debtors based on external credit ratings and the industry features of debtors.

Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis:			
Individually assessed	1,965	100.00%	1,965
On a collective basis:			
Collectively assessed*	101,614	2.17%	2,200
Total	103,579	4.02%	4,165

	As at 31 December 2024		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis:			
Individually assessed	4,619	100.00%	4,619
On a collective basis:			
Collectively assessed*	284,430	2.00%	5,694
Total	289,049	3.57%	10,313

	As at 31 December 2025		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis:			
Individually assessed	5,761	100.00%	5,761
On a collective basis:			
Collectively assessed*	373,114	1.94%	7,234
Total	378,875	3.43%	12,995

* The amounts of expected credit losses for trade receivables aging over 1 year are immaterial.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	27,750	35,049	55,341
Allowance for expected credit losses	(80)	(101)	(101)
Trade receivables, net	27,670	34,948	55,240

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	27,670	34,948	55,240

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	13,004	16,031	55,292
Value-added tax recoverable	51,007	43,749	22,305
Low-value consumables	2,419	7,729	11,123
Rental deposits	5,372	4,427	3,626
Others	4,006	4,222	6,372
Total	75,808	76,158	98,718

The impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss. As at 31 December 2023, 2024 and 2025, the Group estimated that the loss rate for financial assets included in prepayment, other receivables and other assets was minimal.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Due from subsidiaries*	344,606	299,445	496,586
Prepayments to suppliers	2,102	2,543	9,997
Value-added tax recoverable	5,552	7,283	7,072
Rental deposits	96	160	342
Others	512	134	728
Total	352,868	309,565	514,725

* Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	–	9,040	397,710
Structured deposits	80,325	50,447	45,057
Total	80,325	59,487	442,767

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	–	–	153,007
Structured deposits	70,322	50,447	45,057
Total	70,322	50,447	198,064

The wealth management products and structured deposits were issued by banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

(1) Cash and cash equivalents

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Cash and bank balance	179,900	204,935	317,989
Denominated in:			
RMB	139,392	90,070	128,979
USD	40,231	113,368	127,105
HKD	64	381	58,218
Others	213	1,116	3,687
	179,900	204,935	317,989

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Cash and bank balance	25,804	39,832	73,056
Denominated in:			
RMB	18,867	24,024	73,056
USD	6,937	15,789	–
Others	–	19	–
	25,804	39,832	73,056

(2) Restricted cash

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Restricted cash	3,620	1,018	1,816
Denominated in			
RMB	3,620	1,018	1,525
HKD	–	–	291
	3,620	1,018	1,816

Restricted cash mainly represented bank deposits held in designated bank accounts as required by the terms of the long-term bank borrowing agreements, which can only be used for the purposes specified in the respective agreement.

(3) Time Deposits

The Group

		As at 31 December		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Time deposits with original maturity of more than one year-current portion		–	10,999	–
Time deposits with original maturity of over three months and due within one year	*i*	2,374	10,911	–
		2,374	21,910	–
Denominated in:				
RMB		2,374	21,910	–
Non-current				
Time deposits with original maturity of more than one year		10,663	–	–
Denominated in:				
RMB		10,663	–	–

As at 31 December 2023, time deposits amounting to RMB2,374,000 was used as a guarantee deposits for electricity payment.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Time deposits with original maturity of over three months and due within one year	–	10,911	–
Denominated in:			
RMB	–	10,911	–

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances above are deposited with creditworthy banks with no recent history of default.

24. TRADE PAYABLES

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on transaction date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	114,983	221,914	233,384

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	136,638	162,822	106,258

The trade payables are non-interest-bearing and are mainly on credit terms with credit periods of 30 to 90 days.

25. OTHER PAYABLE AND ACCRUALS

The Group

		As at 31 December		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Dividend payable	*12*	–	–	400,000
Other payables for property, plant and equipment		50,247	56,167	29,034
Accrued expenses		14,380	26,091	27,127
Payroll and welfare payable		31,544	37,710	81,857
Other tax payables		5,748	9,260	7,565
Others		8,378	7,295	8,600
Total		110,297	136,523	554,183
Non-Current				
Other payables for property, plant and equipment		–	11,243	–
Others		–	–	839
Total		–	11,243	839

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividend payable	–	–	400,000
Payroll and welfare payable	14,882	16,348	52,602
Due to subsidiaries	110,939	126,646	4,576
Other tax payables	1,214	870	2,573
Others	1,548	1,132	3,725
Total	128,583	144,996	463,476

* Other payables and amounts due to subsidiaries are unsecured, interest free and repayable on demand.

26. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sale of products	28,780	29,697	60,490

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sale of products	1,196	1,243	818

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective Interest rate	Maturity	*RMB'000*	Effective Interest rate	Maturity	*RMB'000*	Effective Interest rate	Maturity	*RMB'000*
Current									
Current portion of long-term bank borrowings									
– secured *(ii, iii, iv, v)*	3.9%-4.0%	2024	5,814	3.3%-3.9%	2025	41,210	2.80%	2026	19,008
Bank borrowings									
– secured *(v)*	3.45%-3.6%	2024	7,769	3.1%-3.6%	2025	10,590	–	–	–
Other borrowings									
– secured *(vi)*	–	–	–	–	–	–	1.2%-1.3%	2026	95,000
Total – current			13,583			51,800			114,008
Non-current									
Bank borrowings									
– secured *(ii, iii, iv, v)*	3.9%-4.0%	2025-2030	274,788	3.3%-3.9%	2026-2030	278,615	2.80%	2026-2033	292,376
Total – non-current			274,788			278,615			292,376
Total			288,371			330,415			406,384

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank borrowings repayable:			
Within one year or on demand	13,583	51,800	19,008
In the one to second year, inclusive	40,000	42,000	35,235
In the second to third years, inclusive	42,000	76,000	50,229
In the third to fourth years, inclusive	76,000	80,000	52,478
In the fourth to fifth years, inclusive	80,000	80,615	52,478
Over five years	36,788	–	101,956
Subtotal	288,371	330,415	311,384
Other borrowings repayable:			
Within one year or on demand	–	–	95,000
Subtotal	–	–	95,000
Total	288,371	330,415	406,384

The Company

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective Interest rate	Maturity	*RMB'000*	Effective Interest rate	Maturity	*RMB'000*	Effective Interest rate	Maturity	*RMB'000*
Current									
Bank borrowings									
– secured *(v)*	3.45%-3.5%	2024	5,888	3.10%	2025	9,609	–	–	–

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank borrowings repayable:			
Within one year or on demand	5,888	9,609	–

Notes:

i. All borrowings were denominated in RMB as at 31 December 2023, 2024 and 2025.

ii. As at 31 December 2023, the Group's secured bank borrowings of RMB280,602,000 were secured by buildings and construction in progress and land use right with the carrying amount of RMB345,000,000 and RMB24,179,000, respectively.

iii. As at 31 December 2024, the Group's secured bank borrowings of RMB319,825,000 were secured by buildings and machinery and land use right with the carrying amount of RMB412,388,000 and RMB23,663,000, respectively.

iv. As at 31 December 2025, the Group's secured bank borrowings of RMB311,384,000 were secured by buildings and machinery and land use right assets with the carrying amount of RMB433,198,000 and RMB23,147,000, respectively.

v. The Company and some of its subsidiaries have guaranteed certain of the Group's bank borrowings up to RMB288,371,000, RMB330,415,000 and RMB311,384,000 as at 31 December 2023, 2024 and 2025, respectively.

vi. Other loans represent proceeds received from discounted internal letters of credit from the bank.

28. DEFERRED TAX

The Group

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Accelerated depreciation	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	7	–	7,448	7,455
Deferred tax charged/(credited) to profit or loss during the year	74	412	(3,309)	(2,823)
At 31 December 2023	81	412	4,139	4,632
At 1 January 2024	81	412	4,139	4,632
Deferred tax charged/(credited) to profit or loss during the year	41	(72)	1,210	1,179
At 31 December 2024	122	340	5,349	5,811
At 1 January 2025	122	340	5,349	5,811
Deferred tax charged/(credited) to profit or loss during the year	328	(340)	5,446	5,434
At 31 December 2025	450	–	10,795	11,245

Deferred tax assets

	Provision for impairment of assets	Deductible advertising expenses carried forward	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,714	468	7,632	2,333	12,147
Deferred tax credited/(charged) to profit or loss during the year	68	1,199	(3,336)	2,322	253
At 31 December 2023	1,782	1,667	4,296	4,655	12,400
At 1 January 2024	1,782	1,667	4,296	4,655	12,400
Deferred tax credited/(charged) to profit or loss during the year	1,936	1,313	1,225	(680)	3,794
At 31 December 2024	3,718	2,980	5,521	3,975	16,194
At 1 January 2025	3,718	2,980	5,521	3,975	16,194
Deferred tax credited/(charged) to profit or loss during the year	2,378	1,809	5,844	(2,032)	7,999
At 31 December 2025	6,096	4,789	11,365	1,943	24,193

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	7,821	10,383	12,948
Net deferred tax liabilities recognised in the consolidated statements of financial position	53	–	–

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The Company

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	7	425	432
Deferred tax charged/(credited) to profit or loss during the year	74	(176)	(102)
At 31 December 2023	81	249	330
At 1 January 2024	81	249	330
Deferred tax charged/(credited) to profit or loss during the year	30	(213)	(183)
At 31 December 2024	111	36	147
At 1 January 2025	111	36	147
Deferred tax (credited)/charged to profit or loss during the year	(83)	642	559
At 31 December 2025	28	678	706

Deferred tax assets

	Provision for impairment of assets	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	733	472	1,252	2,457
Deferred tax credited/(charged) to profit or loss during the year	29	(214)	273	88
At 31 December 2023	762	258	1,525	2,545
At 1 January 2024	762	258	1,525	2,545
Deferred tax credited/(charged) to profit or loss during the year	31	(220)	(1,525)	(1,714)
At 31 December 2024	793	38	–	831
At 1 January 2025	793	38	–	831
Deferred tax credited to profit or loss during the year	51	648	–	699
At 31 December 2025	844	686	–	1,530

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	2,215	684	824
Net deferred tax liabilities recognised in the consolidated statements of financial position	–	–	–

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The aggregate amount of temporary differences associated with investments in subsidiaries outside Chinese Mainland for which deferred tax liabilities have not been recognised totalled RMB46,350,000, RMB63,029,000 and RMB118,799,000 as at 31 December 2023, 2024 and 2025.

29. PAID-IN CAPITAL

The Company's paid-in capital amounted to RMB15,995,000 as at 1 January 2023, 31 December 2023, 31 December 2024 and 31 December 2025.

Pursuant to the approval in the shareholders' meeting held in March 2026, the Company was converted from a limited liability company into a joint stock limited company. Upon conversion, the net assets of the Company as of the conversion base date were converted into 50,000,000 ordinary shares with a nominal value of RMB1.00 each, which were allotted to the existing shareholders in proportion to their respective interests prior to the conversion. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

30. SHARE-BASED PAYMENTS

Share Incentive Scheme

On 10 December 2020, the Company adopted the phase I Pre-[**REDACTED**] Employee Incentive Scheme ("Phase I Pre-[**REDACTED**] Employee Incentive Scheme"). Accordingly, on 12 December 2020 (the "Adoption Date"), the board of directors approved the share incentive plan for certain employees of the Group ("Incentive Participants") to recognise the contributions of the Incentive Participants to the growth and development of the Group. Eligible participants may include directors and employees of the Company or its subsidiaries. Gongqingcheng Jinduoduo Gongchuang Investment Partnership ("Gongqingcheng") were designated as the share incentive platform to hold the shares specially awarded to the Incentive Participants under the Plan.

Under the share incentive scheme, total 777,763 RSUs representing RMB777,763 of paid-in capital held by Gongqingcheng were granted. The RSUs would vest subject to specific service condition that the employees remain in service and vest from the grant date over a vesting period of five years at minimum without any performance condition requirements.

Share-based payment expense relating to awards granted to employees which is based on the grant date fair values of the RSUs is recognised on a straight-line basis over the entire vesting period. The fair value of each RSU at the grant date is determined using a DCF model and adjusted for any applicable discount for lack of marketability ("DLOM"), taking into account the specific grant terms and conditions, with the assistance of an independent third-party valuation firm.

The following table lists the significant inputs to the discounted cashflow fair value model used:

Risk-free interest rate (%)	2.82
WACC (%)	13.41
DLOM (%)	15.00

The shares of the Company granted directly through the share platforms and the RSUs under the Share Incentive Scheme during the Relevant Periods were as follows:

	Number of RSUs
At 1 January 2023	754,763
At 31 December 2023 and 1 January 2024	754,763
Forfeited during the year	(18,000)
At 31 December 2024 and 1 January 2025	736,763
Vested during the year	(706,763)
Forfeited during the year	(30,000)
At 31 December 2025	–

The Group recognized equity-settled share-based payment expenses of RMB4,598,000, RMB4,167,000 and RMB3,238,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statement of changes in equity of the Historical Financial Information.

(a) Capital reserve

The capital reserve mainly represents the difference between the value of share capital and the consideration received and the transfer of share-based payments reserve to capital reserve upon the vesting of shares under the Share Incentive Scheme.

(b) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 30 to the Historical Financial Information.

(c) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

(d) Movements of the Company's reserves

Year ended 31 December 2023

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	213,643	9,579	3,591	-774	226,039
Profit for the year	–	–	–	65,172	65,172
Total comprehensive income for the year	–	–	–	65,172	65,172
Share-based payment compensation	–	4,598	–	–	4,598
Cash dividends	–	–	–	(32,331)	(32,331)
Transfer from retained profits	–	–	6,514	(6,514)	–
At 31 December 2023	213,643	14,177	10,105	25,553	263,478

Year ended 31 December 2024

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	213,643	14,177	10,105	25,553	263,478
Profit for the year	–	–	–	180,068	180,068
Total comprehensive income for the year	–	–	–	180,068	180,068
Share-based payment compensation	–	4,167	–	–	4,167
Cash dividends	–	–	–	(42,111)	(42,111)
At 31 December 2024	213,643	18,344	10,105	163,510	405,602

Year ended 31 December 2025

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	213,643	18,344	10,105	163,510	405,602
Profit for the year	–	–	–	544,412	544,412
Total comprehensive income for the year	–	–	–	544,412	544,412
Share-based payment compensation	–	3,238	–	–	3,238
Dividends declared	–	–	–	(455,913)	(455,913)
Vesting of share-based payment	21,582	(21,582)	–	–	–
At 31 December 2025	235,225	–	10,105	252,009	497,339

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023,2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB3,071,000, RMB18,907,000 and RMB35,873,000 and non-cash additions to lease liabilities of RMB3,071,000, RMB18,907,000 and RMB35,873,000, respectively, in respect of lease arrangements for warehouses and office premises.

(b) Changes in liabilities arising from financing activities

As at 31 December 2023

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	45,607	30,703	–
Changes from financing cash flows	236,808	(15,843)	(32,331)
Dividend declared	–	–	32,331
New leases	–	3,071	–
Interest expenses	5,956	1,136	–
Termination or revision of leases	–	(1,881)	–
At 31 December 2023	288,371	17,186	–

As at 31 December 2024

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	288,371	17,186	–
Changes from financing cash flows	28,377	(14,833)	(42,111)
Dividend declared	–	–	42,111
New leases	–	18,907	–
Interest expenses	13,667	824	–
At 31 December 2024	330,415	22,084	–

As at 31 December 2025

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	330,415	22,084	–
Changes from financing cash flows	65,112	(13,623)	(55,913)
Dividend declared	–	–	455,913
New leases	–	35,873	–
Interest expenses	10,857	1,128	–
At 31 December 2025	406,384	45,462	400,000

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	5,627	3,013	3,867
Within financing activities	15,835	14,833	13,623
Total	21,462	17,846	17,490

33. CONTINGENT LIABILITIES

As at the end of each of the Relevant Periods, neither the Group nor the Company had any significant contingent liabilities.

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's interest-bearing bank borrowings are included in note 27 to the Historical Financial Information.

35. COMMITMENTS

(a) The Group had the following contractual commitments at the end of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for			
Intangible assets	–	–	10,948
Property, plant and equipment	7,594	608	37,384
Total	7,594	608	48,332

(b) The Group has a lease contract that have not yet commenced at 31 December 2025. The future lease payments for this non-cancellable lease contract are RMB7,369,000 due within one year, RMB43,789,000 due in the second to fifth years, inclusive and RMB55,455,000 due after five year.

36. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the Relevant Periods:

Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	–	–	–
Salaries, allowances and benefits in kind	1,440	1,431	1,627
Performance related bonuses	295	348	497
Pension scheme and social welfare	141	144	185
Equity-settled share-based payment expenses	1,982	1,982	1,817
Total	3,858	3,905	4,126

Further details of directors' emoluments are included in note 9 to the Historical Financial Information.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	99,414	99,414
Financial assets included in prepayments, other receivables and other assets	–	7,725	7,725
Financial assets at fair value through profit or loss	80,325	–	80,325
Financial assets included in other non-current assets	–	2,432	2,432
Time deposits	–	13,037	13,037
Restricted cash	–	3,620	3,620
Cash and cash equivalents	–	179,900	179,900
Total	80,325	306,128	386,453

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	114,983
Interest-bearing bank and other borrowings	288,371
Lease liabilities	17,186
Financial liabilities included in other payables and accruals	73,005
Total	493,545

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	278,736	278,736
Financial assets included in prepayments, other receivables and other assets	–	6,615	6,615
Financial assets at fair value through profit or loss	59,487	–	59,487
Financial assets included in other non-current assets	–	2,796	2,796
Restricted cash	–	1,018	1,018
Time deposits	–	21,910	21,910
Cash and cash equivalents	–	204,935	204,935
Total	59,487	516,010	575,497

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	221,914
Interest-bearing bank borrowings	330,415
Lease liabilities	22,084
Financial liabilities included in other payables and accruals	100,796
Total	675,209

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	365,880	365,880
Financial assets included in prepayments, other receivables and other assets	–	6,653	6,653
Financial assets at fair value through profit or loss	442,767	–	442,767
Financial assets included in other non-current assets	–	7,936	7,936
Restricted cash	–	1,816	1,816
Cash and cash equivalents	–	317,989	317,989
Total	442,767	700,274	1,143,041

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	233,384
Interest-bearing bank borrowings	406,384
Lease liabilities	45,462
Financial liabilities included in other payables and accruals	64,761
Total	749,991

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, short-term time deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, current portion of interest-bearing bank and other borrowings, trade payables and current portion of financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Management has also assessed the fair value of non-current portion of interest-bearing bank borrowings approximate to its carrying amount.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets at fair value through profit or loss of the Group represent wealth management products and structured deposits issued by banks in Chinese Mainland. For the structured deposits, the fair values are based on expected cash flow from implied yield, and for other wealth management products, the fair values are based on the quoted net assets value per unit.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	80,325	–	80,325

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	59,487	–	59,487

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	442,767	–	442,767

The Group did not have any financial liabilities measured at fair value as at 31 December 2023, 2024 and 2025.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include cash and cash equivalents, restricted cash, wealth management products and structured deposits at fair value through profit and loss, and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables, payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of the Relevant Periods, assuming that the amounts of liabilities outstanding at the end of the Relevant Periods were outstanding for the whole year. A 100-basis-point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit after tax for the years ended 31 December 2023, 2024 and 2025 would have decreased/increased by RMB2,061,000, RMB2,090,000 and RMB2,193,000, respectively; the Group's total equity would have decreased/increased by RMB2,061,000, RMB2,090,000 and RMB2,193,000 respectively. This is mainly attributable to the Group's exposure to variable interest rates on its bank borrowings.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit after tax and equity.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB/USD			
Strengthened 5%	(3,137)	(10,047)	(14,033)
Weakened 5%	3,137	10,047	14,033

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and staging as at 31 December 2023, 2024 and 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on aging unless other information is available without undue cost or effort, and staging classification as at 31 December 2023, 2024 and 2025.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	103,579	103,579
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,725	–	–	–	7,725
Financial assets included in other non-current assets					
– Normal**	2,432	–	–	–	2,432
Restricted cash					
– Not yet past due	3,620	–	–	–	3,620
Time deposits					
– Not yet past due	13,037	–	–	–	13,037
Cash and cash equivalents					
– Not yet past due	179,900	–	–	–	179,900
Total	206,714	–	–	103,579	310,293

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	289,049	289,049
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,615	–	–	–	6,615
Financial assets included in other non-current assets					
– Normal**	2,796	–	–	–	2,796
Restricted cash					
– Not yet past due	1,018	–	–	–	1,018
Time deposits					
– Not yet past due	21,910	–	–	–	21,910
Cash and cash equivalents					
– Not yet past due	204,935	–	–	–	204,935
Total	237,274	–	–	289,049	526,323

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	378,875	378,875
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,653	–	–	–	6,653
Financial assets included in other non-current assets					
– Normal**	7,936	–	–	–	7,936
Restricted cash					
– Not yet past due	1,816	–	–	–	1,816
Cash and cash equivalents					
– Not yet past due	317,989	–	–	–	317,989
Total	334,394	–	–	378,875	713,269

* Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	11,963	5,804	–	17,767
Interest-bearing bank and other borrowings	299,523	269,947	38,223	607,693
Trade payables	114,983	–	–	114,983
Financial liabilities included in other payables and accruals	73,005	–	–	73,005
Total	499,474	275,751	38,223	813,448

At 31 December 2024

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	11,143	12,207	310	23,660
Interest-bearing bank and other borrowings	340,951	303,578	–	644,529
Trade payables	221,914	–	–	221,914
Financial liabilities included in other payables and accruals	89,553	11,243	–	100,796
Total	663,561	327,028	310	990,899

At 31 December 2025

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	17,295	30,670	–	47,965
Interest-bearing bank and other borrowings	415,165	215,924	104,811	735,900
Trade payables	233,384	–	–	233,384
Financial liabilities included in other payables and accruals	64,761	–	–	64,761
Total	730,605	246,594	104,811	1,082,010

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	1,117,233	1,496,952	2,264,509
Total liabilities	569,980	788,299	1,415,634
Gearing ratio	51.02%	52.66%	62.51%

40. EVENTS AFTER THE RELEVANT PERIODS

On 10 March 2026, the Company was converted from a limited liability company into a joint stock limited company. Upon conversion, the net assets of the Company as of the conversion base date were converted into 50,000,000 ordinary shares with a nominal value of RMB1.00 each, which were allotted to the existing shareholders in proportion to their respective interests prior to the conversion.

On 14 April 2026, the Company adopted the phase II Pre-[**REDACTED**] employee incentive scheme (the "Phase II Pre-[**REDACTED**] Employee Inventive Scheme", and together with the Phase I Pre-[**REDACTED**] Employee Inventive Scheme, the "Pre-[**REDACTED**] Employee Incentive Schemes"). Accordingly, on 20 April 2026, Shenzhen Amos Gongchuang Investment Partnership (Limited Partnership) (深圳市阿麥斯共創投資合夥企業(有限合夥)), which is designated as share incentive platform, subscribed for 236,834 shares reserving for the share-based payment for employees.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.