The following is the text of a report on Colipu Technologies Group Co., Ltd., prepared for the purpose of incorporation in this document received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm's letterhead with official address]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COLIPU TECHNOLOGIES GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Colipu Technologies Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-59, which comprises the consolidated statements of profit or loss and other 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-59 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 11 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 AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	5	13,306,994	13,831,436	15,048,206
Cost of sales		(12,231,985)	(12,764,367)	(13,932,829)
Gross profit		1,075,009	1,067,069	1,115,377
Other income and gains	5	95,825	136,212	96,684
Fulfillment expenses	6	(155,061)	(139,781)	(168,678)
Selling and distribution expenses		(362,739)	(374,330)	(380,591)
Administrative expenses		(108,081)	(201,950)	(161,894)
Research and development expenses		(24,889)	(27,251)	(29,676)
Other expenses		(3,602)	(4,071)	(6,185)
Impairment losses on financial assets, net	6	(22,121)	(21,969)	(12,024)
OPERATING PROFIT		494,341	433,929	453,013
Finance costs	7	(1,073)	(2,264)	(1,752)
PROFIT BEFORE TAX	6	493,268	431,665	451,261
Income tax expense	10	(92,061)	(109,882)	(116,614)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		401,207	321,783	334,647
Attributable to:				
Owners of the parent		401,207	321,783	334,647
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	1.34	0.75	0.56

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	15,651	18,918	21,644
Right-of-use assets	*14(a)*	57,339	50,180	26,879
Intangible assets	*15*	423	228	187
Other non-current assets	*16*	228	60	174
Deferred tax assets	*17*	99,322	89,582	79,373
Total non-current assets		172,963	158,968	128,257
CURRENT ASSETS				
Inventories	*18*	92,227	117,381	109,931
Trade and bills receivables	*19*	3,135,578	3,350,493	4,119,433
Prepayments, other receivables and other assets	*20*	143,498	143,972	186,504
Financial assets at fair value through profit or loss	*21*	303,839	412,400	1,023,669
Financial assets at fair value through other comprehensive income	*22*	39,533	28,475	31,212
Restricted cash and time deposits	*23*	106,514	3,675	108,780
Cash and cash equivalents	*23*	1,913,417	2,670,275	2,556,694
Total current assets		5,734,606	6,726,671	8,136,223
CURRENT LIABILITIES				
Trade payables	*24*	3,922,512	4,156,034	5,085,637
Other payables and accruals	*25*	262,746	240,518	342,713
Tax payables		47,125	55,997	60,686
Lease liabilities	*14(b)*	24,732	26,632	17,736
Total current liabilities		4,257,115	4,479,181	5,506,772
NET CURRENT ASSETS		1,477,491	2,247,490	2,629,451
TOTAL ASSETS LESS CURRENT LIABILITIES		1,650,454	2,406,458	2,757,708

		31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Deferred tax liabilities	*17*	27,368	27,258	32,174
Deferred income	*26*	8,640	6,560	4,543
Lease liabilities	*14(b)*	27,545	18,841	5,182
Total non-current liabilities		63,553	52,659	41,899
NET ASSETS		1,586,901	2,353,799	2,715,809
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	*27*	300,000	594,000	594,000
Reserves	*28*	1,286,901	1,759,799	2,121,809
TOTAL EQUITY		1,586,901	2,353,799	2,715,809

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent				
	Paid-in capital	**Capital reserve***	**Statutory surplus reserve***	**Retained earnings***	**Total equity**
	RMB'000 *(Note 27)*	*RMB'000* *(Note 28)*	*RMB'000* *(Note 28)*	*RMB'000*	*RMB'000*
As at 1 January 2023	300,000	62,801	48,631	780,328	1,191,760
Profit for the year	–	–	–	401,207	401,207
Total comprehensive income for the year	–	–	–	401,207	401,207
Share-based payments *(Note 29)*	–	(6,066)	–	–	(6,066)
Transfer from retained earnings	–	–	27,241	(27,241)	–
As at 31 December 2023	300,000	56,735	75,872	1,154,294	1,586,901
As at 1 January 2024	300,000	56,735	75,872	1,154,294	1,586,901
Profit for the year	–	–	–	321,783	321,783
Total comprehensive income for the year	–	–	–	321,783	321,783
Capital contribution from shareholders	367,473	391,425	–	–	758,898
Capital deduction by shareholders	(73,473)	(9,796)	–	–	(83,269)
Share-based payments *(Note 29)*	–	75,566	–	–	75,566
Dividends paid to shareholders	–	–	–	(306,080)	(306,080)
Transfer from retained earnings	–	–	26,327	(26,327)	–
As at 31 December 2024	594,000	513,930	102,199	1,143,670	2,353,799

	Attributable to owners of the parent				
	Paid-in capital/ Share capital	**Capital reserve***	**Statutory surplus reserve***	**Retained earnings***	**Total equity**
	RMB'000 *(Note 27)*	*RMB'000* *(Note 28)*	*RMB'000* *(Note 28)*	*RMB'000*	*RMB'000*
As at 1 January 2025	594,000	513,930	102,199	1,143,670	2,353,799
Profit for the year	–	–	–	334,647	334,647
Total comprehensive income for the year	–	–	–	334,647	334,647
Conversion into a joint stock company	–	819,894	(114,087)	(705,807)	–
Share-based payments *(Note 29)*	–	27,363	–	–	27,363
Transfer from retained earnings	–	–	33,816	(33,816)	–
As at 31 December 2025	594,000	1,361,187	21,928	738,694	2,715,809

* These reserve accounts comprise the consolidated reserves of RMB1,286,901,000, RMB1,759,799,000 and RMB2,121,809,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		493,268	431,665	451,261
Adjustments for:				
Depreciation of property, plant and equipment	*13*	7,186	5,024	7,024
Depreciation of right-of-use assets	*14(a)*	26,534	29,930	28,878
Amortisation of intangible assets	*15*	282	220	159
Fair value changes on financial assets at fair value through profit or loss, net	*6*	(7,009)	(8,561)	(12,558)
Gain on disposal of items of property, plant and equipment	*6*	(637)	(372)	(115)
Deferred income recognised in profit or loss	*5*	(11,215)	(2,080)	(2,017)
Impairment losses on financial assets, net	*6*	22,121	21,969	12,024
Impairment/(reversal of impairment) of inventories	*6*	(502)	209	778
Equity-settled share-based payment expenses	*6*	(6,066)	75,566	27,363
Interest income	*5*	(14,312)	(17,929)	(14,125)
Finance costs	*7*	1,073	2,264	1,752
		510,723	537,905	500,424
Decrease/(increase) in other non-current assets		207	168	(114)
Decrease/(increase) in inventories		69,412	(25,363)	6,672
Increase in trade and bills receivables		(654,252)	(230,417)	(779,734)
Decrease/(increase) in financial assets at fair value through other comprehensive income		(20,064)	11,058	(2,737)
Increase in prepayments, other receivables and other assets		(16,619)	(6,941)	(43,762)
Decrease/(increase) in restricted cash and time deposits		178	102,839	(105,105)
Increase in trade payables		766,576	233,522	929,603
Increase/(decrease) in other payables and accruals		77,190	(22,228)	102,195
Cash generated from operations		733,351	600,543	607,442
Income tax paid		(109,305)	(91,380)	(96,800)
Interest received		14,312	17,929	14,125
Net cash flows generated from operating activities		638,358	527,092	524,767

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(1,854)	(8,394)	(9,877)
Proceeds from disposal of items of property, plant and equipment		657	475	242
Purchases of intangible assets		(297)	(25)	(118)
Purchase of financial assets at fair value through profit or loss		–	(200,000)	(800,000)
Proceeds from disposal of financial assets at fair value through profit or loss		–	100,000	200,000
Interest received from financial assets at fair value through profit or loss		4,260	–	1,289
Net cash flows generated from/(used in) investing activities		2,766	(107,944)	(608,464)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal portion of lease payments	*14*	(26,567)	(29,575)	(28,132)
Interest portion of lease payments	*14*	(1,073)	(2,264)	(1,752)
Capital contribution from shareholders		–	758,898	–
Capital deduction by shareholders		–	(83,269)	–
Dividends paid	*11*	–	(306,080)	–
Net cash flows generated from/(used in) financing activities		(27,640)	337,710	(29,884)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		613,484	756,858	(113,581)
Cash and cash equivalents at beginning of year		1,299,933	1,913,417	2,670,275
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,913,417	2,670,275	2,556,694
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	*23*	1,913,417	2,670,275	2,556,694
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position		1,913,417	2,670,275	2,556,694

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	15,562	18,885	21,627
Right-of-use assets	*14(a)*	48,534	44,310	24,553
Intangible assets	*15*	423	228	187
Other non-current assets	*16*	228	60	174
Investments in subsidiaries		6,000	6,000	6,000
Deferred tax assets	*17*	45,308	42,687	47,801
Total non-current assets		116,055	112,170	100,342
CURRENT ASSETS				
Inventories	*18*	92,227	117,381	109,931
Trade and bills receivables	*19*	3,136,015	3,350,737	4,119,392
Prepayments, other receivables and other assets	*20*	152,337	153,879	221,175
Financial assets at fair value through profit or loss	*21*	303,839	412,400	1,023,669
Financial assets at fair value through other comprehensive income	*22*	39,533	28,475	31,212
Restricted cash and time deposits	*23*	106,514	3,675	108,780
Cash and cash equivalents	*23*	1,893,750	2,643,148	2,549,043
Total current assets		5,724,215	6,709,695	8,163,202
CURRENT LIABILITIES				
Trade payables	*24*	3,922,512	4,156,034	5,085,637
Other payables and accruals	*25*	660,101	691,547	854,554
Tax payables		41,921	55,988	55,650
Lease liabilities	*14(b)*	21,932	23,698	15,904
Total current liabilities		4,646,466	4,927,267	6,011,745
NET CURRENT ASSETS		1,077,749	1,782,428	2,151,457
TOTAL ASSETS LESS CURRENT LIABILITIES		1,193,804	1,894,598	2,251,799

		31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Deferred tax liabilities	*17*	26,267	26,525	31,593
Deferred income	*26*	8,640	6,560	4,543
Lease liabilities	*14(b)*	22,320	16,551	5,182
Total non-current liabilities		57,227	49,636	41,318
NET ASSETS		1,136,577	1,844,962	2,210,481
EQUITY				
Paid-in capital/share capital	*27*	300,000	594,000	594,000
Reserves	*28*	836,577	1,250,962	1,616,481
TOTAL EQUITY		1,136,577	1,844,962	2,210,481

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People's Republic of China (the "PRC") on 5 December 2012. The registered office of the Company is located at 16/F, 11/F, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the provision of multi-scenario general materials digital procurement solutions through sale of a wide range of products in the PRC.

In the opinion of the directors, the Company's holding company is Shanghai M&G Stationery Inc., ("M&G Corporation" or the "Holding Company"), a company established in the PRC and listed on the Shanghai Stock Exchange. The Company's ultimate holding company is M&G Holdings (Group) Co., Ltd., ("M&G Group" or the "Ultimate Holding Company"), which is incorporated in the Cayman Islands.

Information about subsidiaries

As at the date of this report, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Notes	Place and date of incorporation/ registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Shanghai Colipu Technology Development Co., Ltd.	*(1)*	PRC/Chinese mainland 30 November 2023	RMB100,000,000	100%	–	Technology services
Shanghai Colipu Information Technology Co., Ltd.	*(2)*	PRC/Chinese mainland 3 January 2020	RMB5,000,000	100%	–	Software development
Lianyungang Colipu Office Supplies Co. Ltd.	*(1)*	PRC/Chinese mainland 9 March 2017	RMB1,000,000	100%	–	Sales of products
Shenyang Colipu Office Supplies Trading Co., Ltd.	*(1)*	PRC/Chinese mainland 26 March 2019	RMB500,000	100%	–	Sales of products

The English names of the companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

(1) No statutory audited financial statements of these entities have been prepared for the years ended 31 December 2023, 2024 and 2025.

(2) The statutory financial statements of the entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with PRC generally accepted accounting principles and regulations have been audited by Shanghai Heyi Certified Public Accountants, a certified public accounting firm registered in the PRC.

2. ACCOUNTING POLICIES

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 early 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 financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary 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 period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

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

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, except for IFRS 18, the Group considers that the new and amended standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its wealth management products and financial assets at fair value through other comprehensive income 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 Historical Financial Information 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 Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 reporting 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, financial assets and deferred tax 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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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 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 reporting period 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 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 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 principal annual rates used for this purpose are as follows:

Category	Principal annual rates
Machinery	9.0%-9.5%
Office equipment	9.5%-47.5%
Motor vehicle	9.0%-25.0%
Leasehold improvements	Over the 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 least at each financial year end.

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 profit or loss in the reporting period 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

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 5 years, which is the licence period of the software.

Research and development costs

All research costs are charged to 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:

Office premises, warehouses and carports	1-3 years
Equipment	1-3 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.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and warehouses (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).

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

Financial assets at fair value through profit or loss

Wealth management products are classified as financial assets at fair value through profit or loss ("FVTPL Assets"). FVTPL Assets are measured and recorded at fair value with net changes in fair value recognised in profit or loss.

Purchases and 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.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the profit or loss.

Trade, bills and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. The Group initially measures receivables, except for trade and bills receivables that do not contain a significant financing component, at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and the Group has a business model to hold the asset in order to collect contractual cash flows.

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 fair value through other comprehensive income and 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 and bills 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 and bills 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.

Trade and other payables

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

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 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 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, are 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.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

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 reporting period, 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 reporting period 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, 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, 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 reporting period 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 reporting period 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 at the end of the reporting period.

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 profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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 generates revenue from the sale of products through digital platforms. The Group recognises the product revenue from the online direct sales on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide the specified goods. Product revenue is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the products.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period subject to applicable return conditions, 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.

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.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Other employee benefits

Pension scheme

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

Share-based payments

The Company operates a share incentive 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 29 to the Historical Financial Information.

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 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.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency because the Group's principal operations are carried out in the PRC. 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 the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its 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.

Proposed final dividends are disclosed in the notes to the financial statements.

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, and the disclosure of contingent liabilities. 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:

Gross versus net revenue recognition

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as a principal or an agent in the transaction. If the Group is acting as a principal in a transaction, the Group reports revenue on a gross basis. The determination of whether the Group is acting as a principal or an agent in a transaction involves judgement and is based on an evaluation of the terms of the arrangement. The Group is considered a principal if it controls a promised good before transferring that good to the customer. The Group considers several factors to determine if it controls the good and therefore is the principal. These factors include: (a) if the Group is primarily responsible for fulfilling the promise to provide the specified good; (b) if the Group has inventory risk before the specified good has been transferred to a customer or after the transfer of control to the customer; and (c) if the Group has discretion in establishing price for the specified good.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and 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 included in note 17 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

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

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with 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 updates its assessment of expected returns quarterly. Estimates of expected return are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at 31 December 2023, 2024 and 2025, the amounts recognised as refund liabilities were RMB56,752,000, RMB53,072,000 and RMB83,608,000 for the expected returns, respectively.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the multi-scenario general materials digital procurement solutions 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 and bills 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).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company. During the Relevant Periods, the Group was principally engaged in the provision of multi-scenario general materials digital procurement solutions through sale of a wide range of products. Management reviews the operating results of the Group's business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operations in the Chinese mainland and no non-financial long term assets of the Group are located outside the Chinese mainland.

Information about major customers

Revenue from major customers, including a group of entities which are known to be under common control, accounted for over 10% of the Group's total revenue during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	1,992,246	2,437,918	2,980,567
Customer B	1,818,941	N/A*	N/A*

* The corresponding revenue of the customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the Relevant Periods.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of products during the Relevant Periods.

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			
Types of goods			
Sale of products	13,306,994	13,831,436	15,048,206
Geographical market			
Chinese mainland	13,306,994	13,831,436	15,048,206
Timing of revenue recognition			
Revenue recognised at a point in time	13,306,994	13,831,436	15,048,206

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

Sale of products

The performance obligation of sale of products is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery.

There were unsatisfied performance obligations for sale of products at the end of each of the Relevant Periods. As permitted under IFRS 15, the Group applies the practical expedient, and does not disclose the transaction price allocated to unsatisfied performance obligations for contracts of sale of products, which are generally with an original expected duration of one year or less.

An analysis of other income and gains is as follows:

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Government grants and subsidies				
– related to income	*(i)*	60,806	84,964	67,080
– related to assets	*(ii)*	11,215	2,080	2,017
Bank interest income		14,312	17,929	14,125
Fair value gains on financial assets at fair value through profit or loss		7,009	8,561	12,558
Gain arising from disposal of items of property, plant and equipment		637	372	115
Others		1,846	22,306	789
Total		95,825	136,212	96,684

(i) The government grants and subsidies related to income have been received to reward for the Group's contribution to the local economic growth. These grants are related to income and recognised in profit or loss upon receipt of these grants. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) The Group has received certain government grants related to the investments in intelligent warehouses. The grants related to assets were recognised in profit or loss over the useful lives of relevant assets. Details of these grants related to assets are set out in note 26 to the Historical Financial Information.

6. PROFIT BEFORE TAX

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

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold*		12,231,985	12,764,367	13,932,829
Customer service expenses**		83,033	72,353	89,604
Logistics and other service expenses**		72,028	67,428	79,074
Depreciation of property, plant and equipment	*13*	7,186	5,024	7,024
Depreciation of right-of-use assets	*14(a)*	26,534	29,930	28,878
Amortisation of intangible assets	*15*	282	220	159
Lease payments not included in the measurement of lease liabilities	*14(c)*	10,920	11,243	12,087
Employee benefit expense (including directors' remuneration as set out in note 8):				
Wages and salaries		190,830	204,262	218,070
Pension scheme contributions and social welfare***		51,544	57,002	60,962
Equity-settled share-based payment expenses	*29*	(6,066)	75,566	27,363
Other employee fees		2,096	971	1,371
		238,404	337,801	307,766
Impairment losses on financial assets, net:				
Impairment losses on trade and bills receivables, net	*19*	18,076	15,502	10,794
Impairment losses on other receivables, net	*20*	4,045	6,467	1,230
		22,121	21,969	12,024
Impairment/(reversal of impairment) of inventories		(502)	209	778
Fair value changes of financial assets at fair value through profit or loss, net	*5*	(7,009)	(8,561)	(12,558)
Gain on disposal of items of property, plant and equipment	*5*	(637)	(372)	(115)

* The amount of cost of inventories sold as stated herein excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, impairment of inventories and employee benefit expense.

** The amounts of customer service expenses and logistics and other service expenses as stated constitute fulfillment expenses in consolidated statements of profit or loss and other comprehensive income.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	1,073	2,264	1,752

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Certain of the directors received remuneration from the subsidiaries now comprising the Group prior to their appointment as the directors of the Company. Details of the remuneration received or receivable by the directors from the group entities for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees:			
Directors	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	–	1,155	3,530
Performance related bonuses*	–	–	1,570
Pension scheme contributions and social welfare	–	133	387
Equity-settled share-based payments	–	44,906	6,967
	–	46,194	12,454
	–	46,194	12,454

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

(a) Independent non-executive directors

Subsequent to the end of the Relevant Periods, Mr. Li Peng, Mr. Sze Tin Yeung Randoll and Mr. Huang Jia were appointed as independent non-executive directors of the Company. There were no fees and other emoluments paid to the independent non-executive directors during the Relevant Periods.

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

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive director, chairman of the board and general manager:				
Dr. Chen Huwen(i)	–	–	–	–
Executive directors:				
Ms. Li Jingyi(ii)	–	–	–	–
Mr. Liao Xiang(ii)	–	–	–	–
Ms. Chen Yile(iii)	–	–	–	–
	–	–	–	–
	–	–	–	–

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Equity-settled share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director, chairman of the board and general manager:					
Dr. Chen Huwen(i)	1,155	–	133	44,906	46,194
Executive directors:					
Ms. Li Jingyi(ii)	–	–	–	–	–
Mr. Liao Xiang(ii)	–	–	–	–	–
Ms. Chen Yile(iii)	–	–	–	–	–
	–	–	–	–	–
	1,155	–	133	44,906	46,194

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Equity-settled share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director, chairman of the board and general manager:					
Dr. Chen Huwen(i)	1,260	413	145	–	1,818
Executive directors:					
Ms. Li Jingyi(ii)	1,800	656	121	4,450	7,027
Mr. Liao Xiang(ii)	470	501	121	2,517	3,609
Ms. Chen Yile(iii)	–	–	–	–	–
	2,270	1,157	242	6,967	10,636
	3,530	1,570	387	6,967	12,454

Notes:

(i) In December 2012, Dr. Chen Huwen was appointed as an executive director, the chairman of the board of directors and the general manager of the Company.

(ii) In March 2025, Ms. Li Jingyi and Mr. Liao Xiang were appointed as executive directors of the Company.

(iii) In April 2026, Ms. Chen Yile was appointed as an executive director of the Company.

No remunerations were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or a compensation for loss of office during the Relevant Periods.

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

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group for the Relevant Periods included none, one and two directors disclosed above, respectively. Details of the directors' remuneration are set out in note 8 above. Details of the remuneration of the remaining five, four and three highest paid employees, respectively, who are neither a director nor chief executive of the Company for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	4,162	3,504	1,285
Performance related bonuses*	2,560	2,086	1,086
Pension scheme contributions and social welfare	712	581	436
Equity-settled share-based payments	–	10,094	5,346
	7,434	16,265	8,153

* Certain highest paid employees of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
HK$1,000,001 to HK$1,500,000	4	–	–
HK$1,500,001 to HK$2,000,000	–	–	1
HK$3,000,001 to HK$3,500,000	1	2	1
HK$3,500,001 to HK$4,000,000	–	–	1
HK$4,000,001 to HK$4,500,000	–	1	–
HK$6,500,001 to HK$7,000,000	–	1	–
	5	4	3

10. INCOME TAX EXPENSE

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 operated.

PRC corporate income tax was provided at the rate of 25% on the taxable profits of the Company and the Group's PRC subsidiaries for the Relevant Periods.

One of the Group's PRC subsidiaries was accredited as a double soft certification enterprise ("DSE") under the Corporate Income Tax Law during 2023 and 2024. According to the relevant tax regulations, the qualified subsidiary was exempted from corporate income tax ("CIT") for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2020, the first year of profitable operation.

Certain of the Group's PRC subsidiaries have been qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% during the Relevant Periods.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current – PRC income taxes			
Charge for the year	95,613	100,252	101,489
Deferred *(Note 17)*	(3,552)	9,630	15,125
	92,061	109,882	116,614

A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	493,268	431,665	451,261
Tax at the PRC corporate income tax rate of 25%	123,317	107,916	112,815
Effect of tax concessions	(35,607)	(10,615)	(8,310)
Expenses not deductible for tax	3,499	11,642	11,049
Tax losses and temporary differences not recognised	852	939	1,060
Tax charge at the Group's effective rate	92,061	109,882	116,614

11. DIVIDENDS

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Dividends	–	306,080	–

On 28 May 2024, the Company declared dividends of RMB306,080,000 to its shareholders and were paid in May 2024.

12. 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 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods. The weighted average number of ordinary shares in issue before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in March 2025.

The calculation of basic earnings per share is based on:

Earnings per share	Year ended 31 December		
	2023	**2024**	**2025**
Earnings			
Profit attributable to ordinary equity holders of the parent (RMB'000)	401,207	321,783	334,647
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	300,000,000	426,590,238	594,000,000
Basic earnings per share (RMB)	1.34	0.75	0.56

The Group has no dilutive potential ordinary shares and accordingly, the diluted earnings per share for the Relevant Periods were the same as the basic earnings per share, respectively.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	8,020	24,738	15,949	10,076	168	58,951
Accumulated depreciation	(256)	(17,970)	(11,546)	(8,176)	–	(37,948)
Net carrying amount	7,764	6,768	4,403	1,900	168	21,003
At 1 January 2023, net of accumulated depreciation	7,764	6,768	4,403	1,900	168	21,003
Additions	64	1,724	–	66	–	1,854
Depreciation provided during the year	(1,503)	(3,195)	(1,134)	(1,354)	–	(7,186)
Transfers	–	168	–	–	(168)	–
Disposals	–	(13)	(7)	–	–	(20)
At 31 December 2023, net of accumulated depreciation	6,325	5,452	3,262	612	–	15,651
At 31 December 2023:						
Cost	8,084	25,747	14,765	10,142	–	58,738
Accumulated depreciation	(1,759)	(20,295)	(11,503)	(9,530)	–	(43,087)
Net carrying amount	6,325	5,452	3,262	612	–	15,651

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	8,084	25,747	14,765	10,142	–	58,738
Accumulated depreciation	(1,759)	(20,295)	(11,503)	(9,530)	–	(43,087)
Net carrying amount	6,325	5,452	3,262	612	–	15,651
At 1 January 2024, net of accumulated depreciation	6,325	5,452	3,262	612	–	15,651
Additions	–	1,674	218	286	6,216	8,394
Depreciation provided during the year	(1,488)	(2,327)	(912)	(297)	–	(5,024)
Transfers	–	11	–	–	(11)	–
Disposals	–	(80)	(23)	–	–	(103)
At 31 December 2024, net of accumulated depreciation	4,837	4,730	2,545	601	6,205	18,918
At 31 December 2024:						
Cost	8,084	26,289	14,509	10,429	6,205	65,516
Accumulated depreciation	(3,247)	(21,559)	(11,964)	(9,828)	–	(46,598)
Net carrying amount	4,837	4,730	2,545	601	6,205	18,918

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	8,084	26,289	14,509	10,429	6,205	65,516
Accumulated depreciation	(3,247)	(21,559)	(11,964)	(9,828)	–	(46,598)
Net carrying amount	4,837	4,730	2,545	601	6,205	18,918
At 1 January 2025, net of accumulated depreciation	4,837	4,730	2,545	601	6,205	18,918
Additions	–	2,266	1,131	1,809	4,671	9,877
Depreciation provided during the year	(1,473)	(2,480)	(916)	(2,155)	–	(7,024)
Transfers	–	1,947	–	8,907	(10,854)	–
Disposals	(21)	(62)	(44)	–	–	(127)
At 31 December 2025, net of accumulated depreciation	3,343	6,401	2,716	9,162	22	21,644
At 31 December 2025:						
Cost	8,063	29,454	14,797	12,138	22	64,474
Accumulated depreciation	(4,720)	(23,053)	(12,081)	(2,976)	–	(42,830)
Net carrying amount	3,343	6,401	2,716	9,162	22	21,644

The Company

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	8,020	24,613	15,459	10,052	168	58,312
Accumulated depreciation	(256)	(17,865)	(11,148)	(8,169)	–	(37,438)
Net carrying amount	7,764	6,748	4,311	1,883	168	20,874
At 1 January 2023, net of accumulated depreciation	7,764	6,748	4,311	1,883	168	20,874
Additions	64	1,703	–	66	–	1,833
Depreciation provided during the year	(1,503)	(3,178)	(1,106)	(1,350)	–	(7,137)
Transfers	–	168	–	–	(168)	–
Disposals	–	(1)	(7)	–	–	(8)
At 31 December 2023, net of accumulated depreciation	6,325	5,440	3,198	599	–	15,562
At 31 December 2023:						
Cost	8,084	25,676	14,274	10,118	–	58,152
Accumulated depreciation	(1,759)	(20,236)	(11,076)	(9,519)	–	(42,590)
Net carrying amount	6,325	5,440	3,198	599	–	15,562

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	8,084	25,676	14,274	10,118	–	58,152
Accumulated depreciation	(1,759)	(20,236)	(11,076)	(9,519)	–	(42,590)
Net carrying amount	6,325	5,440	3,198	599	–	15,562
At 1 January 2024, net of accumulated depreciation	6,325	5,440	3,198	599	–	15,562
Additions	–	1,649	218	286	6,216	8,369
Depreciation provided during the year	(1,488)	(2,322)	(883)	(293)	–	(4,986)
Transfers	–	11	–	–	(11)	–
Disposals	–	(53)	(7)	–	–	(60)
At 31 December 2024, net of accumulated depreciation	4,837	4,725	2,526	592	6,205	18,885
At 31 December 2024:						
Cost	8,084	26,219	14,357	10,403	6,205	65,268
Accumulated depreciation	(3,247)	(21,494)	(11,831)	(9,811)	–	(46,383)
Net carrying amount	4,837	4,725	2,526	592	6,205	18,885

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025:						
Cost	8,084	26,219	14,357	10,403	6,205	65,268
Accumulated depreciation	(3,247)	(21,494)	(11,831)	(9,811)	–	(46,383)
Net carrying amount	4,837	4,725	2,526	592	6,205	18,885
At 1 January 2025, net of accumulated depreciation	4,837	4,725	2,526	592	6,205	18,885
Additions	–	2,263	1,131	1,809	4,671	9,874
Depreciation provided during the year	(1,473)	(2,478)	(906)	(2,150)	–	(7,007)
Transfers	–	1,947	–	8,907	(10,854)	–
Disposals	(21)	(62)	(42)	–	–	(125)
At 31 December 2025, net of accumulated depreciation	3,343	6,395	2,709	9,158	22	21,627
At 31 December 2025:						
Cost	8,063	29,382	14,646	12,113	22	64,226
Accumulated depreciation	(4,720)	(22,987)	(11,937)	(2,955)	–	(42,599)
Net carrying amount	3,343	6,395	2,709	9,158	22	21,627

14. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises, warehouses, carports and equipment used in its operations. Leases of office premises, warehouses, carports and equipment generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased office premises, warehouses, carports and equipment outside the Group.

(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:

	Office premises, warehouses and carports	Equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	32,004	–	32,004
Additions	52,423	170	52,593
Termination	(724)	–	(724)
Depreciation charge	(26,520)	(14)	(26,534)
As at 31 December 2023 and 1 January 2024	57,183	156	57,339
Additions	24,621	–	24,621
Termination	(1,850)	–	(1,850)
Depreciation charge	(29,899)	(31)	(29,930)
As at 31 December 2024 and 1 January 2025	50,055	125	50,180
Additions	11,816	–	11,816
Termination	(6,114)	(125)	(6,239)
Depreciation charge	(28,878)	–	(28,878)
As at 31 December 2025	26,879	–	26,879

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	26,975	52,277	45,473
New leases	52,593	24,621	11,816
Accretion of interest recognised during the year	1,073	2,264	1,752
Payments	(27,640)	(31,839)	(29,884)
Termination	(724)	(1,850)	(6,239)
Carrying amount at end of year	52,277	45,473	22,918
Analysed into:			
Current portion	24,732	26,632	17,736
Non-current portion	27,545	18,841	5,182
Analysed into:			
Within one year	24,732	26,632	17,736
In the second year	16,872	17,909	3,151
In the third year, inclusive	10,673	932	2,031
	52,277	45,473	22,918

As at 31 December 2023, 2024 and 2025, the Group had lease liabilities to M&G Group, its Ultimate Holding Company, with balances of RMB37,672,000, RMB35,391,000 and RMB12,588,000, respectively.

(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	1,073	2,264	1,752
Depreciation charge of right-of-use assets	26,534	29,930	28,878
Expense relating to short-term leases	10,920	11,243	12,087
Total amount recognised in profit or loss	38,527	43,437	42,717

(d) The total cash outflows for leases are disclosed in note 30(c) to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

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

	Office premises, warehouses and carports	**Equipment**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	29,323	–	29,323
Additions	42,864	170	43,034
Termination	(724)	–	(724)
Depreciation charge	(23,085)	(14)	(23,099)
As at 31 December 2023 and 1 January 2024	48,378	156	48,534
Additions	22,730	–	22,730
Termination	(1,850)	–	(1,850)
Depreciation charge	(25,073)	(31)	(25,104)
As at 31 December 2024 and 1 January 2025	44,185	125	44,310
Additions	9,697	–	9,697
Termination	(5,200)	(125)	(5,325)
Depreciation charge	(24,129)	–	(24,129)
As at 31 December 2025	24,553	–	24,553

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year	24,937	44,252	40,249
New leases	43,034	22,730	9,697
Accretion of interest recognised during the year	1,025	1,939	1,573
Payments	(24,020)	(26,822)	(25,108)
Termination	(724)	(1,850)	(5,325)
Carrying amount at end of year	44,252	40,249	21,086
Analysed into:			
Current portion	21,932	23,698	15,904
Non-current portion	22,320	16,551	5,182
Analysed into:			
Within one year	21,932	23,698	15,904
In the second year	13,939	15,619	3,151
In the third year, inclusive	8,381	932	2,031
	44,252	40,249	21,086

15. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	4,789
Accumulated amortisation	(4,381)
Net carrying amount	408
At 1 January 2023, net of accumulated amortisation	408
Additions	297
Amortisation provided during the year	(282)
At 31 December 2023, net of accumulated amortisation	423
At 31 December 2023:	
Cost	5,086
Accumulated amortisation	(4,663)
Net carrying amount	423

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	5,086
Accumulated amortisation	(4,663)
Net carrying amount	423
At 1 January 2024, net of accumulated amortisation	423
Additions	25
Amortisation provided during the year	(220)
At 31 December 2024, net of accumulated amortisation	228
At 31 December 2024:	
Cost	5,111
Accumulated amortisation	(4,883)
Net carrying amount	228
31 December 2025	
At 1 January 2025:	
Cost	5,111
Accumulated amortisation	(4,883)
Net carrying amount	228
At 1 January 2025, net of accumulated amortisation	228
Additions	118
Amortisation provided during the year	(159)
At 31 December 2025, net of accumulated amortisation	187
At 31 December 2025:	
Cost	5,229
Accumulated amortisation	(5,042)
Net carrying amount	187

16. OTHER NON-CURRENT ASSETS

The Group and the Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Long-term prepayment for service fee	228	60	174

17. DEFERRED TAX

The Group

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

	Impairment of assets	Lease liabilities	Deferred income	Accruals and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	12,174	6,490	4,964	62,135	85,763
Deferred tax credited/(charged) to profit or loss during the year	5,021	5,576	(2,804)	5,766	13,559
Deferred tax assets at 31 December 2023	17,195	12,066	2,160	67,901	99,322
At 1 January 2024	17,195	12,066	2,160	67,901	99,322
Deferred tax credited/(charged) to profit or loss during the year	533	(1,351)	(520)	(8,402)	(9,740)
Deferred tax assets at 31 December 2024	17,728	10,715	1,640	59,499	89,582
At 1 January 2025	17,728	10,715	1,640	59,499	89,582
Deferred tax credited/(charged) to profit or loss during the year	2,772	(4,985)	(504)	(7,492)	(10,209)
Deferred tax assets at 31 December 2025	20,500	5,730	1,136	52,007	79,373

As at 31 December 2023, 2024 and 2025, the Group has tax losses arising in the Chinese mainland of RMB13,699,000, RMB17,829,000, and RMB21,030,000, respectively, that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	37	16	1
Tax losses	13,699	17,829	21,030
	13,736	17,845	21,031

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

	Right-of-use assets	Fair value changes on financial assets at fair value through profit or loss	Right-of-return assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	7,667	272	9,422	17,361
Deferred tax charged to profit or loss during the year	5,567	688	3,752	10,007
Deferred tax liabilities at 31 December 2023	13,234	960	13,174	27,368
At 1 January 2024	13,234	960	13,174	27,368
Deferred tax charged/(credited) to profit or loss during the year	(1,423)	2,140	(827)	(110)
Deferred tax liabilities at 31 December 2024	11,811	3,100	12,347	27,258
At 1 January 2025	11,811	3,100	12,347	27,258
Deferred tax charged/(credited) to profit or loss during the year	(5,091)	2,817	7,190	4,916
Deferred tax liabilities at 31 December 2025	6,720	5,917	19,537	32,174

The Company

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

	Impairment of assets	Lease liabilities	Deferred income	Accruals and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	12,163	6,234	4,964	12,018	35,379
Deferred tax credited/(charged) to profit or loss during the year	4,990	4,829	(2,804)	2,914	9,929
Deferred tax assets at 31 December 2023	17,153	11,063	2,160	14,932	45,308
At 1 January 2024	17,153	11,063	2,160	14,932	45,308
Deferred tax credited/(charged) to profit or loss during the year	563	(1,000)	(520)	(1,664)	(2,621)
Deferred tax assets at 31 December 2024	17,716	10,063	1,640	13,268	42,687
At 1 January 2025	17,716	10,063	1,640	13,268	42,687
Deferred tax credited/(charged) to profit or loss during the year	2,776	(4,791)	(504)	7,633	5,114
Deferred tax assets at 31 December 2025	20,492	5,272	1,136	20,901	47,801

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

	Right-of-use assets	Fair value changes on financial assets at fair value through profit or loss	Right-of-return assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	7,331	272	9,422	17,025
Deferred tax charged to profit or loss during the year	4,802	688	3,752	9,242
Deferred tax liabilities at 31 December 2023	12,133	960	13,174	26,267
At 1 January 2024	12,133	960	13,174	26,267
Deferred tax charged/(credited) to profit or loss during the year	(1,055)	2,140	(827)	258
Deferred tax liabilities at 31 December 2024	11,078	3,100	12,347	26,525
At 1 January 2025	11,078	3,100	12,347	26,525
Deferred tax charged/(credited) to profit or loss during the year	(4,939)	2,817	7,190	5,068
Deferred tax liabilities at 31 December 2025	6,139	5,917	19,537	31,593

18. INVENTORIES

The Group and the Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	89,466	111,140	108,267
Goods in transit	2,911	6,600	2,801
	92,377	117,740	111,068
Provision for impairment of inventories	(150)	(359)	(1,137)
	92,227	117,381	109,931

19. TRADE AND BILLS RECEIVABLES

The Group

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	3,137,545	3,372,382	4,114,533
Bills receivables, at amortised cost	40,318	28,707	64,767
Impairment	(42,285)	(50,596)	(59,867)
Net carrying amount	3,135,578	3,350,493	4,119,433

The Group's trade and bills receivables are usually generated from sales to its customers. The Group usually grants a credit period of about 30 to 180 days to its customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. The balances of trade and bills receivables are non-interest-bearing. As at 31 December 2023, 2024 and 2025, included in the Group's trade and bills receivables were amounts due from the Group's related parties of RMB2,812,000, RMB3,234,000 and RMB1,466,000, respectively.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the dates of delivery of goods and net of loss allowance, is as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	2,865,497	3,001,922	3,676,819
6 months to 1 year	220,210	276,132	330,322
1 to 2 years	46,443	69,093	110,317
2 to 3 years	3,428	3,346	1,975
	3,135,578	3,350,493	4,119,433

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

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	25,617	42,285	50,596
Impairment losses recognised, net	18,076	15,502	10,794
Amount written off as uncollectible	(1,408)	(7,191)	(1,523)
At end of year	42,285	50,596	59,867

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management's approval.

During the Relevant Periods, there was no significant fluctuation for the overall expected credit loss rates, so the Group adopted similar expected credit loss rates.

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

As at 31 December 2023

	Expected credit loss rate (%)	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	7,442	7,442	–
Provision on a collective basis				
Within 6 months	0.50	2,879,883	14,386	2,865,497
6 months to 1 year	5.00	231,800	11,590	220,210
1 to 2 years	10.00	51,603	5,160	46,443
2 to 3 years	50.00	6,856	3,428	3,428
Over 3 years	100.00	279	279	–
Total		3,177,863	42,285	3,135,578

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	9,204	9,204	–
Provision on a collective basis				
Within 6 months	0.50	3,016,991	15,069	3,001,922
6 months to 1 year	5.00	290,665	14,533	276,132
1 to 2 years	10.00	76,771	7,678	69,093
2 to 3 years	50.00	6,692	3,346	3,346
Over 3 years	100.00	766	766	–
Total		3,401,089	50,596	3,350,493

As at 31 December 2025

	Expected credit loss rate (%)	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	9,062	9,062	–
Provision on a collective basis				
Within 6 months	0.50	3,695,289	18,470	3,676,819
6 months to 1 year	5.00	347,703	17,381	330,322
1 to 2 years	10.00	122,575	12,258	110,317
2 to 3 years	50.00	3,950	1,975	1,975
Over 3 years	100.00	721	721	–
Total		4,179,300	59,867	4,119,433

The Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	3,137,945	3,372,610	4,114,488
Bills receivables, at amortised cost	40,318	28,707	64,767
Impairment	(42,248)	(50,580)	(59,863)
Net carrying amount	3,136,015	3,350,737	4,119,392

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	2,865,934	3,001,390	3,676,778
6 months to 1 year	220,210	276,702	330,322
1 to 2 years	46,443	69,299	110,317
2 to 3 years	3,428	3,346	1,975
	3,136,015	3,350,737	4,119,392

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

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	25,580	42,248	50,580
Impairment losses recognised, net	18,076	15,523	10,806
Amount written off as uncollectible	(1,408)	(7,191)	(1,523)
At end of year	42,248	50,580	59,863

The Company apply the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management's approval.

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

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	*RMB'000*	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	7,442	7,442	–
Provision on a collective basis				
Within 6 months	0.50	2,880,283	14,349	2,865,934
6 months to 1 year	5.00	231,800	11,590	220,210
1 to 2 years	10.00	51,603	5,160	46,443
2 to 3 years	50.00	6,856	3,428	3,428
Over 3 years	100.00	279	279	–
Total		3,178,263	42,248	3,136,015

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	*RMB'000*	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	9,204	9,204	–
Provision on a collective basis				
Within 6 months	0.50	3,016,443	15,053	3,001,390
6 months to 1 year	5.00	291,235	14,533	276,702
1 to 2 years	10.00	76,977	7,678	69,299
2 to 3 years	50.00	6,692	3,346	3,346
Over 3 years	100.00	766	766	–
Total		3,401,317	50,580	3,350,737

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	*RMB'000*	*RMB'000*	*RMB'000*
Provision on an individual basis	100.00	9,062	9,062	–
Provision on a collective basis				
Within 6 months	0.50	3,695,244	18,466	3,676,778
6 months to 1 year	5.00	347,703	17,381	330,322
1 to 2 years	10.00	122,575	12,258	110,317
2 to 3 years	50.00	3,950	1,975	1,975
Over 3 years	100.00	721	721	–
Total		4,179,255	59,863	4,119,392

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposits	51,020	63,420	78,103
Right-of-return assets	52,696	49,388	78,149
Rebate receivables	25,931	25,202	29,432
Prepayments to suppliers	27,904	8,689	13,798
Prepayment for income tax	–	6,890	–
Prepaid expenses	6,964	4,133	2,301
Value-added tax recoverable	1,692	2,666	2,972
Others	3,839	3,599	2,744
	170,046	163,987	207,499
Impairment	(26,548)	(20,015)	(20,995)
	143,498	143,972	186,504

As at 31 December 2023, 2024 and 2025, included in the Group's prepayments, other receivables and other assets were amounts due from the Group's related parties of RMB999,000, RMB974,000 and RMB1,143,000, respectively, which were unsecured, interest-free and repayable on demand.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	22,503	26,548	20,015
Impairment losses recognised, net	4,045	6,467	1,230
Amount written off as uncollectible	–	(13,000)	(250)
At end of year	26,548	20,015	20,995

Financial assets included in prepayments, other receivables and other assets are unsecured, non-interest-bearing and repayable on demand. The impairment of financial assets included in prepayments, other receivables and other assets was measured based on 12-month expected credit losses if they had no significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit losses.

The Company

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deposits	51,020	63,420	78,103
Right-of-return assets	52,696	49,388	78,149
Rebate receivables	25,931	25,202	29,432
Due from subsidiaries	15,177	18,566	36,974
Prepayments to suppliers	27,904	8,689	13,798
Value-added tax recoverable	1,653	2,665	1,546
Prepaid expenses	333	2,278	1,397
Others	3,839	3,598	2,743
	178,553	173,806	242,142
Impairment	(26,216)	(19,927)	(20,967)
	152,337	153,879	221,175

As at 31 December 2023, 2024 and 2025, included in the Company's prepayments, other receivable and other assets were amounts due from the Company's related parties of RMB999,000, RMB974,000 and RMB1,143,000, respectively. Amounts due from subsidiaries and related parties are unsecured, non-interest-bearing and repayable on demand.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	22,418	26,216	19,927
Impairment losses recognised, net	3,798	6,711	1,290
Amount written off as uncollectible	–	(13,000)	(250)
At end of year	26,216	19,927	20,967

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	303,839	412,400	1,023,669

The above unlisted investments were wealth management products issued by banks in the Chinese mainland with a maturity period within one year or due on demand. 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.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables, at fair value	39,533	28,475	31,212

Certain of the Group's bills receivables are held within a business model with the objective of both holding to collect contractual cash flows and selling, which are classified as financial assets at fair value through other comprehensive income.

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

The Group

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	2,019,931	2,673,950	2,665,474
Less: Restricted cash and time deposits	106,514	3,675	108,780
Cash and cash equivalents	1,913,417	2,670,275	2,556,694
Denominated in:			
RMB	1,913,417	2,670,275	2,556,694

The RMB is not freely convertible into other currencies, however, under the 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 and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

As at 31 December 2023, 2024 and 2025, restricted cash of RMB6,514,000, RMB3,675,000 and RMB8,780,000 was pledged for performance guarantee, respectively, as disclosed in note 32 to the Historical Financial Information. As at 31 December 2023, 2024 and 2025, RMB100,000,000, nil and RMB100,000,000 were time deposits.

The Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	2,000,264	2,646,823	2,657,823
Less: Restricted cash and time deposits	106,514	3,675	108,780
Cash and cash equivalents	1,893,750	2,643,148	2,549,043
Denominated in:			
RMB	1,893,750	2,643,148	2,549,043

24. TRADE PAYABLES

The Group and the Company

Trade payables are non-interest bearing and normally settled on terms of 30 to 180 days. An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the dates of delivery of goods, is as follows:

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,849,083	3,931,198	4,819,886
1 to 2 years	64,808	172,736	198,290
2 to 3 years	7,463	43,543	44,842
Over 3 years	1,158	8,557	22,619
	3,922,512	4,156,034	5,085,637

As at 31 December 2023, 2024 and 2025, included in the Group's trade payables were amounts due to the related parties of RMB6,140,000, RMB6,763,000 and RMB5,183,000, respectively.

25. OTHER PAYABLES AND ACCRUALS

The Group

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Accrued expenses	67,555	61,796	70,894
Refund liabilities	56,752	53,072	83,608
Tax payable other than corporate income tax	55,790	48,299	53,897
Payroll and welfare payable	29,928	31,394	33,916
Unexpired endorsement transfers and factoring transfers	30,380	21,075	49,680
Deposits	19,042	22,681	45,393
Others	3,299	2,201	5,325
	262,746	240,518	342,713

Other payables are unsecured, non-interest-bearing and repayable on demand.

As at 31 December 2023, 2024 and 2025, included in the Group's other payables and accruals were amounts due to the Group's related parties of RMB14,000, RMB25,000 and RMB17,000, respectively, which are interest-free, unsecured and repayable on demand.

The Company

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Due to subsidiaries	399,004	455,163	515,642
Accrued expenses	67,541	61,796	70,894
Refund liabilities	56,752	53,072	83,608
Tax payable other than corporate income tax	54,521	47,704	53,683
Payroll and welfare payable	29,563	27,869	30,350
Unexpired endorsement transfers and factoring transfers	30,380	21,075	49,680
Deposits	19,042	22,681	45,393
Others	3,298	2,187	5,304
	660,101	691,547	854,554

As at 31 December 2023, 2024 and 2025, included in the Company's other payables and accruals were amounts due to the Company's related parties of RMB14,000, RMB25,000 and RMB17,000, respectively. Amounts due to subsidiaries and related parties are unsecured, non-interest-bearing and repayable on demand.

26. DEFERRED INCOME

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	8,640	6,560	4,543

Movements in government grants of the Group during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	19,855	8,640	6,560
Credited to profit or loss during the year	(11,215)	(2,080)	(2,017)
At end of year	8,640	6,560	4,543

The Group received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

27. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Authorised:			
Ordinary shares with par value of RMB1.00 each	660,000	594,000	594,000
Issued and fully paid:			
Ordinary shares with par value of RMB1.00 each	300,000	594,000	594,000

A summary of movements in the Company's paid-in capital/share capital during the Relevant Periods is as follows:

Paid-in capital	**Total**
	RMB'000
At 1 January 2023 and 31 December 2023	300,000
Capital deduction by shareholders *(a)*	(73,473)
Capital contribution from shareholders *(a)*	367,473
At 31 December 2024	594,000

Share capital	**Total**
	RMB'000
At 1 January 2023, 31 December 2023 and 31 December 2024	–
Issue of ordinary shares upon conversion into a joint stock company *(b)*	594,000
At 31 December 2025	594,000

Notes:

(a) In May 2024, the Company reduced its capital by the repurchase of the equity interest from its shareholders for the purpose of optimising the shareholding structure. In June 2024, the Company further increased its capital to RMB594,000,000 by capital injection from shareholders, including employees' shareholding platforms.

(b) On 28 October 2024, the Company convened the inaugural meeting and passed related resolutions approving the conversion of the Company into a joint stock limited company. On 28 March 2025, the Company completed the conversion. The net assets of the Company as of the conversion base date, including paid-in capital and reserves, amounting to approximately RMB1,961,614,000 were converted into 594,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

28. RESERVES

The Group

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

(i) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to allocate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus funds until the reserve balance reaches 50% of its registered share capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of these subsidiaries, the statutory surplus funds may be used either to offset losses, or to be converted to increase the share capital of the subsidiaries provided that the balance after such conversion is not less than 25% of the registered share capital of them. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(ii) ***Capital reserve***

The capital reserve of the Group included the excess of the consideration received for subscription of the registered share capital of the Company and reserves arising from equity-settled share-based payment transactions. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

The Company

A summary of the Company's reserves is as follows:

	Capital reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	98,827	48,631	422,780	570,238
Profit for the year	–	–	272,405	272,405
Total comprehensive income for the year	–	–	272,405	272,405
Share-based payments *(Note 29)*	(6,066)	–	–	(6,066)
Transfer from retained earnings	–	27,241	(27,241)	–
At 31 December 2023 and 1 January 2024	92,761	75,872	667,944	836,577
Profit for the year	–	–	263,270	263,270
Total comprehensive income for the year	–	–	263,270	263,270
Capital contribution from shareholders	391,425	–	–	391,425
Capital deduction by shareholders	(9,796)	–	–	(9,796)
Share-based payments *(Note 29)*	75,566	–	–	75,566
Dividends paid to shareholders	–	–	(306,080)	(306,080)
Transfer from retained earnings	–	26,327	(26,327)	–
At 31 December 2024 and 1 January 2025	549,956	102,199	598,807	1,250,962
Profit for the year	–	–	338,156	338,156
Total comprehensive income for the year	–	–	338,156	338,156
Conversion into a joint stock company	819,894	(114,087)	(705,807)	–
Share-based payments *(Note 29)*	27,363	–	–	27,363
Transfer from retained earnings	–	33,816	(33,816)	–
At 31 December 2025	1,397,213	21,928	197,340	1,616,481

29. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

M&G Corporation share incentive scheme

In order to incentivise directors, senior management and employees, the Holding Company adopted a share incentive scheme (the "**M&G Corporation Scheme**") in May 2020, under which 1,007,200 shares in total were granted to the Group's certain eligible employees with performance and service conditions. On and subject to the limitations and conditions of the M&G Corporation Scheme and the terms and conditions of the respective grant letter, the shares shall be vested from the date of grant to 2023. During the year ended 31 December 2023, as performance conditions of certain shares granted to the Group's certain employees under the M&G Corporation Scheme were not met, the Group reversed share-based payment expenses of RMB6,066,000 accordingly.

Colipu share incentive scheme

In order to incentivise directors, senior management and employees, the Group adopted a share incentive scheme (the "**Colipu Scheme**"). On 8 May 2024, the Board approved to grant restricted share units ("**RSUs**") to selected eligible employees, including executive directors, at a consideration of RMB4.40 per share to incentivise them for the Group's future development under the Colipu Scheme. On and subject to the limitations and conditions of the Colipu Scheme and the terms and conditions of the respective grant letter, the RSUs of 23,760,000 granted to the Dr. Chen Huwen have been vested immediately, and the RSUs of 79,728,000 granted to other directors, senior management and employees are vested in one tranche within the vesting period from the grant date to the estimated date of completion of the qualified [**REDACTED**] of the Company, subject to employees' continuous service to the Company.

The fair value of the RSUs included in the Colipu Scheme granted in May 2024 was RMB6.29 per share. The fair value of the Colipu Scheme at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the date of grant. The grant date fair value of the underlying ordinary shares was determined with the assistance of an independent valuer. The discounted cash flow method under the income approach has been applied in the determination of the fair value of the equity interest of the Company. The discounted cash flow derived by management has taken into consideration the Group's future business plan, specific business and financial risks, the stage of development of the Group's operations and economic and competitive elements affecting the Group's business, industry and market.

During the Relevant Periods, the Group recognised share-based payment expenses of nil, RMB75,566,000, and RMB27,363,000 under the Colipu Scheme, respectively.

30. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB52,593,000 and RMB52,593,000, RMB24,621,000 and RMB24,621,000, and RMB11,816,000 and RMB11,816,000, respectively, in respect of lease arrangements for office premises, warehouses, carports and equipment.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB'000
At 1 January 2023	26,975
Changes from financing cash flows	(27,640)
New leases	52,593
Lease termination	(724)
Interest expense	1,073
At 31 December 2023 and 1 January 2024	52,277
Changes from financing cash flows	(31,839)
New leases	24,621
Lease termination	(1,850)
Interest expense	2,264
At 31 December 2024 and 1 January 2025	45,473
Changes from financing cash flows	(29,884)
New leases	11,816
Lease termination	(6,239)
Interest expense	1,752
At 31 December 2025	22,918

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	10,920	11,243	12,087
Within financing activities	27,640	31,839	29,884
	38,560	43,082	41,971

31. CONTINGENT LIABILITIES

As at the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

32. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's performance guarantee are included in note 23 to the Historical Financial Information.

33. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods.

	31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Property, plant and equipment	1,028	5,566	390

34. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of products:			
The Holding Company and fellow subsidiaries of the Group (the "M&G Corporation Group") *(i)*	88,130	93,194	69,837
An associate of the Holding Company *(i)*	7	1	11
	88,137	93,195	69,848
Sale of goods:			
M&G Corporation Group *(ii)*	11,985	12,443	10,046
The Ultimate Holding Company *(ii)*	49	41	101
A company influenced by key management personnel of the Holding Company *(ii)*	236	121	190
An associate of the Holding Company *(ii)*	314	66	–
	12,584	12,671	10,337
Rental fees:			
M&G Corporation Group *(i)*	10,325	10,325	11,543
Leasing as lessee:			
The Ultimate Holding Company *(i)*	14,458	17,409	18,915
Interest expenses on lease liabilities:			
The Ultimate Holding Company *(i)*	204	1,655	1,212

Notes:

(i) The prices for the products, rental fees and leasing contracts were determined in accordance with the terms and conditions mutually agreed by the contracting parties.

(ii) The sales to the related parties were made according to the published prices and conditions offered to the major customers.

(b) Outstanding balances with related parties

	Notes	31 December 2023	31 December 2024	31 December 2025
		RMB'000	*RMB'000*	*RMB'000*
Trade related				
Trade and bills receivables				
M&G Corporation Group		2,661	3,192	1,370
The Ultimate Holding Company		–	20	2
A company influenced by key management personnel of the Holding Company		72	22	94
An associate of the Holding Company		79	–	–
	19	2,812	3,234	1,466
Trade related				
Prepayments, other receivables and other assets				
M&G Corporation Group	*20*	999	974	1,143
Trade related				
Trade payables				
M&G Corporation Group		6,139	6,763	5,180
An associate of the Holding Company		1	–	3
	24	6,140	6,763	5,183
Non-trade related				
Other payables and accruals				
The Holding Company	*25*	14	25	17
Lease liabilities				
The Ultimate Holding Company	*14(b)*	37,672	35,391	12,588

As at 31 December 2023, 2024 and 2025, the Group's outstanding balances with related parties were all unsecured, interest-free and repayable on demand.

In the opinion of the directors, all the above related party balances which are non-trade in nature will be settled prior to [**REDACTED**].

(c) Compensation of key management personnel of the Group

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	3,526	5,016	5,430
Performance related bonuses	2,293	2,202	2,655
Pension scheme contributions and social welfare	570	799	872
Equity-settled share-based payments	–	53,826	8,164
Total compensation paid to key management personnel	6,389	61,843	17,121

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

35. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivables (the "Endorsed Bills") with carrying amounts of RMB27,880,000, RMB21,075,000 and RMB45,648,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers have recourse were RMB98,095,000, RMB51,946,000 and RMB107,883,000 during the Relevant Periods, respectively.

As part of its normal business, the Group entered into receivables factoring arrangements and transferred certain bills receivables to financial institutions. Pursuant to the arrangements, the Group may be required to repay the payment if any trade debtors delay payment. The Group retain substantially all risks and rewards of the ownership of financial assets, and does not derecognise the financial assets. Subsequent to the transfer, the Group did not retain any rights on the use of the bills receivables, including the sale, transfer or pledge of the bills receivables to any other third parties. The carrying amounts of the bills receivables transferred under the arrangements that have not been settled as at 31 December 2023, 2024 and 2025 were RMB2,500,000, nil and RMB4,032,000, respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivables that were not due accepted by banks in the Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB14,783,000, RMB25,153,000 and RMB26,468,000, respectively, (the "Derecognised Bills"). The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, disregarding the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

36. 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:

Financial assets

31 December 2023	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	303,839	–	–	303,839
Financial assets at fair value through other comprehensive income	–	39,533	–	39,533
Trade and bills receivables	–	–	3,135,578	3,135,578
Financial assets included in prepayments, other receivables and other assets	–	–	67,242	67,242
Restricted cash and time deposits	–	–	106,514	106,514
Cash and cash equivalents	–	–	1,913,417	1,913,417
Total	303,839	39,533	5,222,751	5,566,123

31 December 2024	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	412,400	–	–	412,400
Financial assets at fair value through other comprehensive income	–	28,475	–	28,475
Trade and bills receivables	–	–	3,350,493	3,350,493
Financial assets included in prepayments, other receivables and other assets	–	–	72,206	72,206
Restricted cash and time deposits	–	–	3,675	3,675
Cash and cash equivalents	–	–	2,670,275	2,670,275
Total	412,400	28,475	6,096,649	6,537,524

31 December 2025	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	1,023,669	–	–	1,023,669
Financial assets at fair value through other comprehensive income	–	31,212	–	31,212
Trade and bills receivables	–	–	4,119,433	4,119,433
Financial assets included in prepayments, other receivables and other assets	–	–	89,284	89,284
Restricted cash and time deposits	–	–	108,780	108,780
Cash and cash equivalents	–	–	2,556,694	2,556,694
Total	1,023,669	31,212	6,874,191	7,929,072

Financial liabilities

31 December 2023	**Financial liabilities at amortised cost**
	RMB'000
Trade payables	3,922,512
Financial liabilities included in other payables and accruals	177,028
Total	4,099,540

31 December 2024	**Financial liabilities at amortised cost**
	RMB'000
Trade payables	4,156,034
Financial liabilities included in other payables and accruals	160,825
Total	4,316,859

31 December 2025	**Financial liabilities at amortised cost**
	RMB'000
Trade payables	5,085,637
Financial liabilities included in other payables and accruals	254,900
Total	5,340,537

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets 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:

The fair values of wealth management products included in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

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.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

	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*
As at 31 December 2023				
Financial assets at fair value through profit or loss	–	303,839	–	303,839
Financial assets at fair value through other comprehensive income	–	39,533	–	39,533
Total	–	343,372	–	343,372
As at 31 December 2024				
Financial assets at fair value through profit or loss	–	412,400	–	412,400
Financial assets at fair value through other comprehensive income	–	28,475	–	28,475
Total	–	440,875	–	440,875
As at 31 December 2025				
Financial assets at fair value through profit or loss	–	1,023,669	–	1,023,669
Financial assets at fair value through other comprehensive income	–	31,212	–	31,212
Total	–	1,054,881	–	1,054,881

During the Relevant Periods, there were no transfers into or out of Level 3 for financial assets.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. 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 trade and bills receivables and trade payables, which arise directly from its operations.

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

(a) Credit risk

The carrying amounts of cash and cash equivalents, restricted cash and time deposits, financial assets at fair value through other comprehensive income, trade and bills receivables and financial assets included in prepayments, other receivables and other assets included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets as at 31 December 2023, 2024 and 2025. The Group classifies financial instruments on the basis of shared credit risk characteristics, such as instrument types and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment.

Cash and cash equivalents, restricted cash and time deposits and financial assets at fair value through other comprehensive income

As at 31 December 2023, 2024 and 2025, all cash and cash equivalents, restricted cash and time deposits and financial assets at fair value through other comprehensive income were deposited in high-credit-quality financial institutions without significant credit risk. These financial assets were not yet past due and their credit exposure is classified as stage 1.

Trade and bills receivables

To manage the risk arising from trade and bills receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit period granted to the customers is generally 30 to 180 days and the credit quality of these customers is assessed, taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews regularly the recoverable amount of trade and bills receivables to ensure that adequate impairment losses are made. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and bills receivables. The expected credit losses also incorporate forward-looking information based on key economic variables such as inflation rate.

Other receivables and assets

Management makes periodic collective assessments for financial assets included in prepayments, other receivables and other assets, as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Group recognised allowance for these financial assets based on 12-month ECLs, lifetime ECLs and adjusted for forward-looking macroeconomic data.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

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 and bills receivables*	–	–	–	3,177,863	3,177,863
Financial assets included in prepayments, other receivables and other assets					
– Normal**	80,790	–	–	–	80,790
Financial assets at fair value through other comprehensive income					
– Not yet past due	39,533	–	–	–	39,533
Restricted cash and time deposits					
– Not yet past due	106,514	–	–	–	106,514
Cash and cash equivalents					
– Not yet past due	1,913,417	–	–	–	1,913,417
Total	2,140,254	–	–	3,177,863	5,318,117

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 and bills receivables*	–	–	–	3,401,089	3,401,089
Financial assets included in prepayments, other receivables and other assets					
– Normal**	92,221	–	–	–	92,221
Financial assets at fair value through other comprehensive income					
– Not yet past due	28,475	–	–	–	28,475
Restricted cash and time deposits					
– Not yet past due	3,675	–	–	–	3,675
Cash and cash equivalents					
– Not yet past due	2,670,275	–	–	–	2,670,275
Total	2,794,646	–	–	3,401,089	6,195,735

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 and bills receivables*	–	–	–	4,179,300	4,179,300
Financial assets included in prepayments, other receivables and other assets					
– Normal**	110,279	–	–	–	110,279
Financial assets at fair value through other comprehensive income					
– Not yet past due	31,212	–	–	–	31,212
Restricted cash and time deposits					
– Not yet past due	108,780	–	–	–	108,780
Cash and cash equivalents					
– Not yet past due	2,556,694	–	–	–	2,556,694
Total	2,806,965	–	–	4,179,300	6,986,265

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 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".

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

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

31 December 2023	**Within 1 year**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	3,922,512	–	3,922,512
Financial liabilities included in other payables and accruals	177,028	–	177,028
Lease liabilities	26,231	28,748	54,979
Total	4,125,771	28,748	4,154,519

31 December 2024	**Within 1 year**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,156,034	–	4,156,034
Financial liabilities included in other payables and accruals	160,825	–	160,825
Lease liabilities	28,524	19,322	47,846
Total	4,345,383	19,322	4,364,705

31 December 2025	**Within 1 year**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	5,085,637	–	5,085,637
Financial liabilities included in other payables and accruals	254,900	–	254,900
Lease liabilities	18,878	5,415	24,293
Total	5,359,415	5,415	5,364,830

(c) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

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.

39. EVENTS AFTER THE RELEVANT PERIODS

The Group had no significant events subsequent to the end of the Relevant Periods.

40. SUBSEQUENT FINANCIAL STATEMENTS

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