

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report on Shanghai Buy Quickly BMax Technology Services Group Co., Ltd. prepared for the purpose of incorporation in this document received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI BUY QUICKLY BMAX TECHNOLOGY SERVICES GROUP CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Shanghai Buy Quickly BMax Technology Services Group Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-4] to [I-64], 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-4] to [I-64] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (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

APPENDIX I

ACCOUNTANTS' REPORT

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

[●] 2026

APPENDIX I

ACCOUNTANTS’ REPORT

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 Hong Kong Institute of Certified Public Accountants (“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.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	1,318,258	1,419,074	1,586,576
Cost of sales		(827,770)	(951,882)	(1,057,427)
Gross profit		<u>490,488</u>	<u>467,192</u>	<u>529,149</u>
Other income and gains	5	62,953	20,180	51,295
Selling and marketing expenses		(52,792)	(65,781)	(65,714)
Research and development expenses		(67,322)	(68,855)	(77,967)
Administrative expenses		(134,228)	(172,461)	(163,891)
Finance costs	7	(4,458)	(18,432)	(27,701)
Other expenses		(59)	(1,911)	(336)
(Impairment losses)/reversal of impairment losses on financial assets		<u>(5,901)</u>	<u>1,829</u>	<u>(3,127)</u>
PROFIT BEFORE TAX	6	<u>288,681</u>	<u>161,761</u>	<u>241,708</u>
Income tax expense	10	<u>(38,619)</u>	<u>(18,533)</u>	<u>(27,627)</u>
PROFIT FOR THE YEAR		<u>250,062</u>	<u>143,228</u>	<u>214,081</u>
Attributable to:				
Owners of the parent		250,062	139,102	204,158
Non-controlling interests		–	4,126	9,923
		<u>250,062</u>	<u>143,228</u>	<u>214,081</u>

**EARNINGS PER SHARE
ATTRIBUTABLE TO ORDINARY
EQUITY HOLDERS OF THE
PARENT**

Basic (RMB)				
– For profit for the year	12	<u>0.69</u>	<u>0.39</u>	<u>0.57</u>
Diluted (RMB)				
– For profit for the year	12	<u>0.69</u>	<u>0.39</u>	<u>0.57</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR		<u>250,062</u>	<u>143,228</u>	<u>214,081</u>
OTHER COMPREHENSIVE LOSS				
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		<u>(14)</u>	<u>(21)</u>	<u>(20)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR.		<u>(14)</u>	<u>(21)</u>	<u>(20)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>250,048</u>	<u>143,207</u>	<u>214,061</u>
Attributable to:				
Owners of the parent		<u>250,048</u>	<u>139,081</u>	<u>204,138</u>
Non-controlling interests		<u>–</u>	<u>4,126</u>	<u>9,923</u>
		<u>250,048</u>	<u>143,207</u>	<u>214,061</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	13	86,571	95,968	82,764
Right-of-use assets	14(a)	110,231	432,338	467,207
Other intangible assets	15	4,483	5,589	5,824
Financial asset at fair value through profit or loss	20	15,015	21,290	25,549
Deferred tax assets	24	10,111	18,594	31,613
Time deposits	21	–	–	51,074
Restricted cash	21	66	50	150
Prepayments, other receivables and other assets	19	22,181	17,715	19,705
Total non-current assets		248,658	591,544	683,886
CURRENT ASSETS				
Inventories	17	45,640	46,534	72,157
Trade receivables	18	430,785	394,412	455,077
Prepayments, other receivables and other assets	19	18,780	28,675	52,498
Restricted cash	21	534	–	–
Cash and cash equivalents	21	638,902	797,489	758,171
Total current assets		1,134,641	1,267,110	1,337,903
CURRENT LIABILITIES				
Trade payables	22	45,800	38,150	51,540
Other payables and accruals	23	144,218	178,932	220,822
Lease liabilities	14(b)	39,518	72,807	48,936
Tax payable		23,703	12,484	20,089
Total current liabilities		253,239	302,373	341,387
NET CURRENT ASSETS		881,402	964,737	996,516
TOTAL ASSETS LESS CURRENT LIABILITIES		1,130,060	1,556,281	1,680,402

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		
	<i>Notes</i>	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES				
Lease liabilities	<i>14(b)</i>	75,858	391,684	469,183
Other payables and accruals	<i>23</i>	7,155	6,805	14,907
Total non-current liabilities		<u>83,013</u>	<u>398,489</u>	<u>484,090</u>
NET ASSETS		<u>1,047,047</u>	<u>1,157,792</u>	<u>1,196,312</u>
EQUITY				
Equity attributable to owners of the parent				
Share capital	<i>25</i>	361,000	361,000	361,000
Reserves	<i>27</i>	686,047	786,063	815,515
		1,047,047	1,147,063	1,176,515
Non-controlling interests		–	10,729	19,797
Total equity		<u>1,047,047</u>	<u>1,157,792</u>	<u>1,196,312</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent						
		Share capital	Capital reserve*	Statutory reserve*	Equity- settled share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total
<i>Notes</i>		<i>RMB'000</i> <i>(note 25)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i> <i>(note 27)</i>	<i>RMB'000</i>	<i>RMB'000</i>
	As at 1 January 2023	361,000	6,345	643	51,072	136	362,952	782,148
	Profit for the year	-	-	-	-	-	250,062	250,062
	Other comprehensive loss for the year:							
	Exchange differences on translation of foreign operations	-	-	-	-	(14)	-	(14)
	Total comprehensive income for the year	-	-	-	-	(14)	250,062	250,048
	Equity-settled share-based payment arrangements	-	-	-	14,851	-	-	14,851
	As at 31 December 2023	<u>361,000</u>	<u>6,345</u>	<u>643</u>	<u>65,923</u>	<u>122</u>	<u>613,014</u>	<u>1,047,047</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		Attributable to owners of the parent								
		Share	Capital	Statutory	Equity-	Exchange	Retained	Non-		
		capital	reserve*	reserve*	share-based	fluctuation	profits*	Total	controlling	
Notes					payment	reserve*			interests	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		(note 25)	(note 27)	(note 27)	(note 27)	(note 27)				
									Total	
									equity	
									RMB'000	
As at 1 January 2025		361,000	6,377	8,267	89,206	101	682,112	1,147,063	10,729	1,157,792
Profit for the year		-	-	-	-	-	204,158	204,158	9,923	214,081
Other comprehensive loss for the year:										
Exchange differences on translation of foreign operations		-	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income for the year		-	-	-	-	(20)	204,158	204,138	9,923	214,061
Equity-settled share-based payment arrangements	26	-	-	-	25,314	-	-	25,314	3,345	28,659
Dividends paid to non-controlling shareholders		-	-	-	-	-	-	-	(4,200)	(4,200)
Transfer from retained profits		-	-	31,690	-	-	(31,690)	-	-	-
Dividends declared	11	-	-	-	-	-	(200,000)	(200,000)	-	(200,000)
As at 31 December 2025		<u>361,000</u>	<u>6,377</u>	<u>39,957</u>	<u>114,520</u>	<u>81</u>	<u>654,580</u>	<u>1,176,515</u>	<u>19,797</u>	<u>1,196,312</u>

* These reserve accounts comprise the consolidated reserves of RMB686,047,000, RMB786,063,000 and RMB815,515,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		288,681	161,761	241,708
Adjustments for:				
Finance costs	7	4,458	18,432	27,701
Interest income	5	(1,714)	(1,439)	(1,837)
Foreign exchange differences, net . . .		3	5	(26)
Investment income on financial assets at fair value through profit or loss - wealth management products	5	(10,008)	(11,023)	(11,657)
Depreciation of property, plant and equipment	6	32,940	38,148	33,240
Depreciation of right-of-use assets . .	6	46,108	61,250	67,147
Amortisation of other intangible assets	6	368	591	718
Impairment losses/(reversal of impairment losses) on financial assets	6	5,901	(1,829)	3,127
Write-down of inventories to net realisable value	6	359	2,351	(1,147)
Gain on disposal of items of non-current assets, net	6	(415)	(198)	(382)
Equity-settled share-based payment expenses	26	14,851	26,285	28,659
		<u>381,532</u>	<u>294,334</u>	<u>387,251</u>
Increase in inventories		(1,755)	(3,245)	(24,476)
(Increase)/decrease in trade receivables		(108,900)	38,257	(63,824)
Decrease/(increase) in prepayments, other receivables and other assets . .		8,379	(2,333)	(24,002)
Decrease/(increase) in restricted cash . .		3,866	16	(100)
(Decrease)/increase in trade payables . .		(1,631)	(7,650)	13,390
Increase in other payables and accruals		<u>31,201</u>	<u>30,791</u>	<u>50,826</u>
Cash flows from operations		312,692	350,170	339,065
Interest received		1,714	1,439	1,837
Income tax paid		<u>(42,106)</u>	<u>(38,283)</u>	<u>(33,548)</u>
Net cash flows from operating activities		<u>272,300</u>	<u>313,326</u>	<u>307,354</u>

APPENDIX I

ACCOUNTANTS' REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(45,855)	(48,819)	(23,522)
Proceeds from disposal of items of property, plant and equipment		1,393	2,013	760
Additions to other intangible assets . .		(298)	(1,799)	(1,010)
Purchase of financial asset at fair value through profit or loss		(6,455)	(6,275)	(4,259)
Purchase of financial assets at fair value through profit or loss - wealth management products		(2,167,000)	(2,492,000)	(5,024,000)
Proceeds from disposal of financial assets at fair value through profit or loss - wealth management products .		2,177,008	2,503,023	5,035,657
Placement of time deposits with original maturity of more than three months when acquired		—	—	(50,000)
Net cash flows used in investing activities		<u>(41,207)</u>	<u>(43,857)</u>	<u>(66,374)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal portion of lease payments . .	28(b)	(53,347)	(34,242)	(48,388)
Interest portion of lease payments . . .	28(b)	(4,458)	(18,432)	(27,701)
Maturity of restricted cash		2,000	534	—
Capital injection from non-controlling equity holders		—	9,522	—
Dividends paid	11	—	(62,380)	(200,000)
Dividends paid to non-controlling equity holders	29	—	(5,889)	(4,200)
Net cash flows used in financing activities		<u>(55,805)</u>	<u>(110,887)</u>	<u>(280,289)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
		175,288	158,582	(39,309)
Cash and cash equivalents at beginning of year		463,609	638,902	797,489
Effects of foreign exchange rate changes, net		5	5	(9)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<i>21</i>	638,902	797,489	758,171
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	<i>21</i>	639,502	797,539	809,395
Less: Time deposits with original maturity of more than three months	<i>21</i>	–	–	(51,074)
Restricted cash	<i>21</i>	(600)	(50)	(150)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CASH FLOWS		638,902	797,489	758,171

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment		–	1,815	1,264
Investments in subsidiaries	16	61,014	77,853	96,752
Deferred tax assets		719	1,389	995
Restricted cash	21	66	50	50
Prepayments, other receivables and other assets	19	1,858	–	64
Total non-current assets		63,657	81,107	99,125
CURRENT ASSETS				
Trade receivables	18	143	–	–
Prepayments, other receivables and other assets	19	612	1,089	1,655
Due from subsidiaries		381,224	201,704	283,162
Cash and cash equivalents	21	470	203,854	251,813
Total current assets		382,449	406,647	536,630
CURRENT LIABILITIES				
Other payables and accruals	23	8,630	17,818	29,227
Due to subsidiaries		638	620	160
Tax payable		–	30	–
Total current liabilities		9,268	18,468	29,387
NET CURRENT ASSETS		373,181	388,179	507,243
NET ASSETS		436,838	469,286	606,368
EQUITY				
Share capital	25	361,000	361,000	361,000
Reserves	27	75,838	108,286	245,368
Total equity		436,838	469,286	606,368

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Shanghai Buy Quickly BMax Technology Services Group Co., Ltd. (“the Company”), originally named as Shanghai Buy Quickly Network Technologies Co., Ltd. before 2022, was registered in the People’s Republic of China (the “PRC”) as a limited liability company on 16 September 2010. The registered office of the Company is located at Room 801, Building B, No. 1358 Xiehe Road, Changning District, Shanghai, China.

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the “Group”) primarily operated as a digital retail operation service provider in China, with a focus on mid-to-premium brands.

Information about subsidiaries

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

Company name	Place and date of registration and place of business	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
Shanghai Buy Quickly E-Commerce Digital Technologies Co., Ltd.* (上海百秋新網商數字科技有限公司)(i)	PRC/Chinese Mainland 2 May 2013	RMB10,000,000	100%	–	E-commerce operations, omni-channel retailing, digital marketing, warehousing and logistics, and information technology support
Shanghai Buy Quickly E-Vogue Network Services Co., Ltd.* (上海百秋智尚網路服務有限公司)(i)	PRC/Chinese Mainland 19 May 2017	RMB4,000,000	100%	–	E-commerce operations, omni-channel retailing, digital marketing, warehousing and logistics, and information technology support
Shanghai Romomo Digital Technologies Co., Ltd.* (“Shanghai Romomo”) (上海容麼麼數字科技有限公司)(i)	PRC/Chinese Mainland 23 June 2021	RMB1,428,571	70%	–	Live-streaming e-commerce operations, store-based live-streaming services, short video, influencer marketing, and internet live-streaming technology services
Shanghai Rongbo Media Technologies Co., Ltd.* (上海容播傳媒科技有限公司)(i)	PRC/Chinese Mainland 29 Dec 2023	RMB1,000,000	–	70%	Operation of online activities; performance marketing
Shanghai Buy Quickly Future Retail Network Services Co., Ltd.* (上海百秋全週網絡服務有限公司)(i)	PRC/Chinese Mainland 24 Aug 2018	RMB6,000,000	–	100%	Sales of Goods
Shanghai Buy Quickly NewLogis Supply Chain Management Co.,Ltd.* (上海百秋新洛傑斯供應鏈管理有限公司)(i)	PRC/Chinese Mainland 26 Aug 2021	RMB10,000,000	100%	–	Goods storage services and supply chain management services
Buy Quickly Warehousing Services (Jiaxing) Co., Ltd.* (百秋倉儲服務(嘉興)有限公司)(i)	PRC/Chinese Mainland 7 March 2018	RMB1,000,000	–	100%	Goods storage services, customs declaration services and supply chain management services
Buy Quickly NewLogis (Changxing) Supply Chain Co., Ltd.* (百秋新洛傑斯(長興)供應鏈管理有限公司)(i)	PRC/Chinese Mainland 7 September 2021	RMB8,000,000	–	100%	Supply chain management services; goods storage services

APPENDIX I

ACCOUNTANTS’ REPORT

Note:

- (i) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under Chinese Accounting Standards for Business Enterprises were audited by RSM China Certified Public Accountants LLP, certified public accountants registered in the PRC. No audited statutory financial statements of these entities have been issued for the year ended 31 December 2025.

* The English names of the companies registered in Chinese Mainland referred to above in this note represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

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

The Historical Financial Information has been prepared under the historical cost convention, except for financial asset at fair value through profit or loss, which have been measured at fair value.

Basis of consolidation

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same 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.

APPENDIX I

ACCOUNTANTS’ REPORT

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 adopt these new and amended IFRS Accounting Standards, if applicable, when they become effective:

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

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

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows, and additional disclosures in the future financial statements.

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. So far, the Group considers that, except for IFRS 18, 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 POLICY INFORMATION

Fair value measurement

The Group measures its financial asset at fair value through profit or loss 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.

APPENDIX I

ACCOUNTANTS' REPORT

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 reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

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

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

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

APPENDIX I

ACCOUNTANTS' REPORT

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:

Furniture and fixtures	19.00% to 31.67%
Electronic devices	19.00% to 31.67%
Motor vehicles	19.00% to 23.75%
Logistics facilities	19.00% to 31.67%
Leasehold improvements	10.00% to 50.00%

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 value, 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 year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

APPENDIX I

ACCOUNTANTS' REPORT

Intangible assets (other than goodwill)

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

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

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. Research and development costs which do not meet these criteria are 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 any 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:

Leased properties 2 to 15 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.

APPENDIX I

ACCOUNTANTS’ REPORT

(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 leased properties (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.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

APPENDIX I

ACCOUNTANTS' REPORT

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

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

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).

APPENDIX I

ACCOUNTANTS' REPORT

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

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

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

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

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

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

The Group's financial liabilities include trade payables, other payables and accruals and lease liabilities.

Subsequent measurement

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

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

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

APPENDIX I

ACCOUNTANTS' REPORT

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in 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. 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 statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

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

Income tax

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

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

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

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

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

APPENDIX I

ACCOUNTANTS' REPORT

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

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

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.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

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.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group primarily generates its revenue from provision of service including e-commerce operation services and branding services, and sale of goods. Further details of the Group’s revenue recognition policies are as follows:

(a) Provision of services

The Group acts as a services provider, to facilitate its brand owners’ online sales of their branded products with the performance obligations to provide a variety of e-commerce operation services and branding services.

E-Commerce operation services primarily include online store operations, live-streaming operations and warehousing and logistics management. Most of the revenue from provision of e-commerce operation services is recognised on a gross basis while the Group also generates revenue by charging service fees for advancing expenses on behalf of brand owners, which is recorded net of the cost of promotion as the Group generally acts as an agent in these transactions due to (i) the Group does not provide integrated service; (ii) the online publisher is identified and determined by the brand owners, not the Group. The Group only provides procurement services to brand owners and charges the service fees as the brand owners provide their own produced promotion contents and formulate their own advertisement campaign. Branding services primarily consist of a suite of services from strategy formulation, creative development and media planning to on-the-ground execution, which is recognised on a gross basis. Each type of the services provided is considered as one performance obligation as they are distinct from other services. Most of the Group’s service contracts include multiple performance obligations. The Group charges its brand owners a combination of fixed fees and/or variable fees based on the value of merchandise sold, number of orders fulfilled or other variable factors.

Revenue from the provision of e-commerce operation services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the performance as the Group performs. Provision of branding services is recognised as revenue at point in time.

(b) Sale of goods

The Group generates product sales revenues primarily through selling products purchased from brand owners to customers.

The Group sells goods to customers through self-owned online stores and third-party e-commerce platforms. The revenues from product sales are recognised at a point in time when the control of the product is transferred. The Group recognises revenues net of discounts, return allowances and sales rebate. The Group estimates product returns based on historical experience, which historically were not significant.

Other income

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

Contract liabilities

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

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of equity-settled 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 a binomial model, further details of which are given in note 26 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS' REPORT

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 Relevant Periods 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 equity-settled 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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its 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.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Company and certain subsidiaries incorporated outside Chinese mainland use Hong Kong dollars ("HK\$") as their functional currencies, respectively. The functional currency of the PRC subsidiaries is RMB. As the Group mainly operates in the Chinese Mainland, RMB is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial

APPENDIX I

ACCOUNTANTS’ REPORT

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

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

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

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 revenue, 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.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are contained in note 24 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end 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:

Provision for expected credit losses on trade receivables

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

APPENDIX I

ACCOUNTANTS’ REPORT

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 product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each of the Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 18 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).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group’s chief operating decision maker is the chief executive officer of the Group who reviews the Group’s consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

During the Relevant Periods, substantially all of the Group’s revenue was derived from its operations in Chinese Mainland. As of the Relevant Periods, all of the non-current assets (excluding deferred tax assets and financial instruments) of the Group were located in Chinese Mainland.

Information about major customers

No single customer accounted for 10% or more than of the Group’s total revenue during the Relevant Periods.

APPENDIX I

ACCOUNTANTS’ REPORT

5. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services			
Provision of services	1,257,045	1,352,561	1,510,918
Sale of goods	61,213	66,513	75,658
Total	1,318,258	1,419,074	1,586,576
Timing of revenue recognition			
Over time	1,152,005	1,246,128	1,387,061
At a point in time	166,253	172,946	199,515
Total	1,318,258	1,419,074	1,586,576

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

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Provision of services	1,162	1,989	2,981

(b) Performance obligations

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

Provision of services

The performance obligation of e-commerce operation services is satisfied over time as services are rendered and the performance obligation of branding services is satisfied upon the completion of the services and the confirmation by the customers.

Sale of goods

The Group generates product sales revenues primarily through selling products purchased from brand owners to customers via its self-owned online stores or third-party e-commerce platforms. Performance obligation is satisfied when the customers accept the products upon delivery and take possession of the goods.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group’s contract of revenue recognised at point in time has an original expected duration of less than one year, and the Group’s contract of revenue recognised over time has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity’s performance completed to date.

Other income and gains

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Government grants related to income*	50,330	6,931	37,232
Investment income	10,008	11,023	11,657
Interest income	1,714	1,439	1,837
Others	901	787	569
Total	<u>62,953</u>	<u>20,180</u>	<u>51,295</u>

* The government grants related to income have granted for encouraging the development of the Group. These grants related to income are recognised in profit or loss upon receipt of these rewards. There are no unfulfilled conditions or contingencies relating to these grants.

APPENDIX I

ACCOUNTANTS’ REPORT

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cost of inventories sold		35,177	37,760	43,299
Logistics cost		59,931	63,029	68,915
Cost of services provided*		84,174	106,722	135,728
Depreciation of property, plant and equipment	13	32,940	38,148	33,240
Depreciation of right-of-use assets	14(a)	46,108	61,250	67,147
Amortisation of other intangible assets	15	368	591	718
Write-down of inventories to net realisable value		359	2,351	(1,147)
Lease payments not included in the measurement of lease liabilities	14(c)	2,840	1,479	564
Employee benefit expenses** (excluding directors’, chief executives’ and supervisors’ remuneration (note 8)):				
Wages, salaries and bonuses		657,854	755,004	801,596
Pension scheme contributions, social welfare and other welfare		87,874	98,785	110,452
Equity-settled share-based payment expenses		11,293	14,173	15,860
Total		757,021	867,962	927,908
Impairment/(reversal of impairment) of trade receivables, net	18	6,311	(1,884)	3,158
(Reversal of impairment)/impairment of prepayments, other receivables and other assets	19	(410)	55	(31)
Gains on disposal of items of long-term assets		(415)	(198)	(382)
Auditor’s remuneration		917	922	569
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]

* The amount of cost of services as stated herein excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, write-down of inventory to net realisable value, employee benefit expenses, lease payments not included in the measurement of lease liabilities and logistics cost.

** The employee benefit expenses for the Relevant Periods are included in “Cost of sales”, “Administrative expenses”, “Selling and marketing expenses”, “Research and development expenses” in the consolidated statement of profit or loss and other comprehensive income.

APPENDIX I

ACCOUNTANTS’ REPORT

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 (note 14(b))	4,458	18,432	27,701

8. DIRECTORS’, CHIEF EXECUTIVES’ AND SUPERVISORS’ REMUNERATION

The remuneration of each of the Company’s directors and supervisors in each of the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	300	300	400
Other emoluments:			
Salaries, allowances and benefits in kind	4,167	4,385	4,831
Performance related bonuses	6,729	7,952	7,545
Equity-settled share-based payment expenses	3,558	12,112	12,799
Pension scheme contributions	147	138	137
Subtotal	14,601	24,587	25,312
Total	14,901	24,887	25,712

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Ms. Lin Lin	100	100	100
Mr. Yan Deming	100	100	100
Mr. Yu Jianhai	100	100	100
Ms. Li Xiangxiang (i)	–	–	100
Total	300	300	400

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Executive directors, non-executive directors and supervisors

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023					
Executive directors and non-executive directors:					
Mr. Liu	881	939	3,015	21	4,856
Mr. Hu (ii)	743	4,209	–	21	4,973
Mr. Qiu	620	950	–	21	1,591
Mr. Liu Jiangning	607	–	355	21	983
Mr. Liu Shuxiang	–	–	–	–	–
Mr. Guo Zhenwei	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Supervisors:					
Mr. Ji Qi (iii)	793	530	178	36	1,537
Mr. Xiang Yinchao	234	42	6	13	295
Mr. Zhang Shutang	289	59	4	14	366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,167	6,729	3,558	147	14,601
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	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2024					
Executive directors and non-executive directors:					
Mr. Liu	845	548	3,015	21	4,429
Mr. Hu (ii)	742	5,536	–	21	6,299
Mr. Qiu	622	793	–	21	1,436
Mr. Liu Jiangning	704	–	8,831	21	9,556
Mr. Liu Shuxiang	–	–	–	–	–
Mr. Guo Zhenwei	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Supervisors:					
Mr. Ji Qi (iii)	917	972	249	26	2,164
Mr. Xiang Yinchao	250	27	9	14	300
Mr. Zhang Shutang	305	76	8	14	403
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,385	7,952	12,112	138	24,587
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APPENDIX I

ACCOUNTANTS’ REPORT

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Executive directors and non-executive directors:					
Mr. Liu	861	1,526	3,015	21	5,423
Mr. Hu (ii)	4	–	–	4	8
Mr. Qiu	638	300	–	21	959
Mr. Liu Jiangning	743	–	8,864	21	9,628
Mr. Cheng Cheng-Shun (iv)	1,106	2,308	584	21	4,019
Mr. Ji Qi (iii)	923	3,230	318	21	4,492
Mr. Liu Shuxiang	–	–	–	–	–
Mr. Guo Zhenwei	–	–	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Supervisors:					
Mr. Xiang Yinchao	242	65	10	14	331
Mr. Zhang Shutang	314	116	8	14	452
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>4,831</u>	<u>7,545</u>	<u>12,799</u>	<u>137</u>	<u>25,312</u>

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

The Supervisors of the Company, including Mr. Ji Qi, Mr. Xiang Yinchao and Mr. Zhang Shutang, automatically ceased to hold office on 9 September 2025 and the Company will no longer have a Supervisory Committee or Supervisors. The Audit Committee will assume the duties and powers of the Supervisory Committee as stipulated by the Company Law.

Notes:

- (i) Ms. Li Xiangxiang was appointed as independent non-executive directors on 15 January 2025 and will resign upon [REDACTED].
- (ii) Mr. Hu Shaoqun ceased to serve as the vice president on 20 January 2025, and resigned as the director on 16 June 2025.
- (iii) Mr. Ji Qi was appointed as executive director on 9 September 2025.
- (iv) Mr. Cheng Cheng-Shun was appointed executive director on 15 January 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group during the Relevant Periods include 2, 3 and 4 directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining 3, 2 and 1 highest paid employees 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	2,608	1,904	798
Performance related bonuses	2,070	2,701	2,987
Equity-settled share-based payment expenses	1,169	992	440
Pension scheme contributions	73	42	21
Total	5,920	5,639	4,246

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

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000.	–	–	–
HK\$1,500,001 to HK\$2,000,000	1	–	–
HK\$2,000,001 to HK\$2,500,000	1	–	–
HK\$2,500,001 to HK\$3,000,000	1	1	–
HK\$3,500,001 to HK\$4,000,000	–	1	–
HK\$4,500,001 to HK\$5,000,000	–	–	1
Total	3	2	1

10. INCOME TAX

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	42,417	27,016	40,646
Deferred income tax (<i>note 24</i>)	(3,798)	(8,483)	(13,019)
Total tax charge for the year	38,619	18,533	27,627

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 or operate.

APPENDIX I

ACCOUNTANTS’ REPORT

Pursuant to the Corporate Income Tax (“CIT”) Law of the People’s Republic of China and the respective regulations (the “CIT Law”), the subsidiaries which operate in Chinese Mainland were subject to CIT at a rate of 25% during the Relevant Periods on the taxable income, except for certain subsidiaries of the Group in Chinese Mainland which were granted tax concession and were taxed at preferential tax rates.

Shanghai Buy Quickly E-Commerce Digital Technologies Co., Ltd. and Shanghai Buy Quickly E-Vogue Network Services Co., Ltd. were accredited as a “High and New Technology Enterprise” in 2021 and were therefore entitled to a preferential income tax rate of 15% for each of the Relevant Periods. Such qualifications are subject to review by the relevant tax authority in the PRC every three years.

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

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before tax	288,681	161,761	241,708
Tax at the statutory tax rate of 25%	72,170	40,440	60,427
Lower tax rates for specific provinces or enacted by local authority	(25,874)	(16,040)	(25,626)
Expenses not deductible for tax	2,846	5,662	5,939
Additional deductible allowance for qualified research and development costs	(9,546)	(11,861)	(12,956)
Additional deductible allowance for disabled employees	(400)	(358)	(307)
Adjustments in respect of current tax of previous periods	(93)	690	150
Recognition of tax losses brought forward from previous periods	(484)	–	–
Total tax charge for the year	<u>38,619</u>	<u>18,533</u>	<u>27,627</u>

APPENDIX I

ACCOUNTANTS’ REPORT

11. DIVIDENDS

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Dividends declared by the Company	–	62,380	200,000

On 7 May 2024, the Company declared dividends of RMB62,380,000 to its shareholders, which were paid in June 2024.

On 7 November 2025, the Company declared dividends of RMB200,000,000 to its shareholders, which were paid in November 2025.

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 for the years attributable to owners of the parent, and the weighted average numbers of ordinary shares of 361,000,000, 361,000,000, and 361,000,000 outstanding during the Relevant Periods, respectively.

	As at 31 December		
	2023	2024	2025
Earnings			
Profit attributable to ordinary equity holders of the parent (RMB'000)	250,062	139,102	204,158
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation ('000)	361,000	361,000	361,000

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

APPENDIX I

ACCOUNTANTS’ REPORT

13. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Electronic devices	Motor vehicles	Logistics facilities	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023:							
Cost	7,440	31,934	5,581	29,937	42,926	7,274	125,092
Accumulated depreciation	(3,427)	(15,288)	(2,992)	(7,643)	(12,554)	–	(41,904)
Net carrying amount	<u>4,013</u>	<u>16,646</u>	<u>2,589</u>	<u>22,294</u>	<u>30,372</u>	<u>7,274</u>	<u>83,188</u>
At 1 January 2023, net of accumulated depreciation							
	4,013	16,646	2,589	22,294	30,372	7,274	83,188
Additions	809	8,029	2,265	2,085	1,994	22,115	37,297
Disposals	(14)	(391)	(569)	–	–	–	(974)
Depreciation provided during the year	(1,295)	(9,138)	(974)	(5,613)	(15,920)	–	(32,940)
Transfers	–	40	–	49	1,509	(1,598)	–
At 31 December 2023, net of accumulated depreciation	<u>3,513</u>	<u>15,186</u>	<u>3,311</u>	<u>18,815</u>	<u>17,955</u>	<u>27,791</u>	<u>86,571</u>
At 31 December 2023:							
Cost	8,066	38,361	5,832	32,071	46,428	27,791	158,549
Accumulated depreciation	(4,553)	(23,175)	(2,521)	(13,256)	(28,473)	–	(71,978)
Net carrying amount	<u>3,513</u>	<u>15,186</u>	<u>3,311</u>	<u>18,815</u>	<u>17,955</u>	<u>27,791</u>	<u>86,571</u>
At 1 January 2024:							
Cost	8,066	38,361	5,832	32,071	46,428	27,791	158,549
Accumulated depreciation	(4,553)	(23,175)	(2,521)	(13,256)	(28,473)	–	(71,978)
Net carrying amount	<u>3,513</u>	<u>15,186</u>	<u>3,311</u>	<u>18,815</u>	<u>17,955</u>	<u>27,791</u>	<u>86,571</u>
At 1 January 2024, net of accumulated depreciation							
	3,513	15,186	3,311	18,815	17,955	27,791	86,571
Additions	1,597	7,781	2,453	781	1,892	34,856	49,360
Disposals	(84)	(86)	(12)	–	(1,633)	–	(1,815)
Depreciation provided during the year	(1,249)	(9,020)	(1,738)	(8,351)	(17,790)	–	(38,148)
Transfers	2,078	547	–	28,210	31,496	(62,331)	–
At 31 December 2024, net of accumulated depreciation	<u>5,855</u>	<u>14,408</u>	<u>4,014</u>	<u>39,455</u>	<u>31,920</u>	<u>316</u>	<u>95,968</u>
At 31 December 2024:							
Cost	10,324	45,958	8,051	61,062	76,609	316	202,320
Accumulated depreciation	(4,469)	(31,550)	(4,037)	(21,607)	(44,689)	–	(106,352)
Net carrying amount	<u>5,855</u>	<u>14,408</u>	<u>4,014</u>	<u>39,455</u>	<u>31,920</u>	<u>316</u>	<u>95,968</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Furniture and fixtures	Electronic devices	Motor vehicles	Logistics facilities	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025:							
Cost	10,324	45,958	8,051	61,062	76,609	316	202,320
Accumulated depreciation	(4,469)	(31,550)	(4,037)	(21,607)	(44,689)	–	(106,352)
Net carrying amount	<u>5,855</u>	<u>14,408</u>	<u>4,014</u>	<u>39,455</u>	<u>31,920</u>	<u>316</u>	<u>95,968</u>
At 1 January 2025, net of accumulated depreciation							
depreciation	5,855	14,408	4,014	39,455	31,920	316	95,968
Additions	1,316	7,740	1,592	669	99	8,998	20,414
Disposals	(126)	(143)	(102)	(7)	–	–	(378)
Depreciation provided during the year	(1,841)	(8,059)	(1,581)	(10,896)	(10,863)	–	(33,240)
Transfers	1,809	26	–	4,463	1,964	(8,262)	–
At 31 December 2025, net of accumulated depreciation	<u>7,013</u>	<u>13,972</u>	<u>3,923</u>	<u>33,684</u>	<u>23,120</u>	<u>1,052</u>	<u>82,764</u>
At 31 December 2025:							
Cost	12,373	51,173	9,502	66,176	78,672	1,052	218,948
Accumulated depreciation	(5,360)	(37,201)	(5,579)	(32,492)	(55,552)	–	(136,184)
Net carrying amount	<u>7,013</u>	<u>13,972</u>	<u>3,923</u>	<u>33,684</u>	<u>23,120</u>	<u>1,052</u>	<u>82,764</u>

14. LEASES

The Group as a lessee

The Group has lease contracts for leased properties used in its operations. Leases of leased properties generally have lease terms between 2 and 15 years.

APPENDIX I

ACCOUNTANTS’ REPORT

(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:

	Leased properties
	<i>RMB’000</i>
As at 1 January 2023	131,453
Additions	26,912
Depreciation charge	(46,108)
Lease modification	(1,672)
Termination	(354)
As at 31 December 2023 and 1 January 2024	110,231
Additions	391,444
Depreciation charge	(61,250)
Lease modification	(8,087)
As at 31 December 2024 and 1 January 2025	432,338
Additions	115,096
Depreciation charge	(67,147)
Lease modification	(13,080)
As at 31 December 2025	467,207

(b) Lease liabilities

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

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at beginning of year	143,833	115,376	464,491
New leases	26,912	391,444	115,096
Accretion of interest recognised during the year	4,458	18,432	27,701
Payments	(57,805)	(52,674)	(76,089)
Lease modification	(1,672)	(8,087)	(13,080)
Termination	(350)	–	–
Carrying amount at end of year	115,376	464,491	518,119
Analysed into:			
Current portion	39,518	72,807	48,936
Non-current portion	75,858	391,684	469,183

The maturity analysis of lease liabilities is disclosed in note 34 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

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

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Interest on lease liabilities	4,458	18,432	27,701
Depreciation charge of right-of-use assets	46,108	61,250	67,147
Expense relating to short-term leases	2,840	1,479	564
	<u>53,406</u>	<u>81,161</u>	<u>95,412</u>

(d) The total cash outflow for leases is disclosed in note 28(c) to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

	Software	Membership fee	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	2,722	1,848	4,570
Additions	281	–	281
Amortisation provided during the year	(368)	–	(368)
At 31 December 2023	<u>2,635</u>	<u>1,848</u>	<u>4,483</u>
At 31 December 2023 and 1 January 2024:			
Cost	3,517	1,848	5,365
Accumulated amortisation	(882)	–	(882)
Net carrying amount	<u>2,635</u>	<u>1,848</u>	<u>4,483</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	2,635	1,848	4,483
Additions	1,697	–	1,697
Amortisation provided during the year	(591)	–	(591)
At 31 December 2024	<u>3,741</u>	<u>1,848</u>	<u>5,589</u>
At 31 December 2024 and 1 January 2025:			
Cost	5,214	1,848	7,062
Accumulated amortisation	(1,473)	–	(1,473)
Net carrying amount	<u>3,741</u>	<u>1,848</u>	<u>5,589</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<u>Software</u>	<u>Membership</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	3,741	1,848	5,589
Additions	953	–	953
Amortisation provided during the year	(718)	–	(718)
At 31 December 2025	<u>3,976</u>	<u>1,848</u>	<u>5,824</u>
At 31 December 2025:			
Cost	6,167	1,848	8,015
Accumulated amortisation	(2,191)	–	(2,191)
Net carrying amount	<u>3,976</u>	<u>1,848</u>	<u>5,824</u>
16. INVESTMENTS IN SUBSIDIARIES			
The Company			
<i>Investments in subsidiaries</i>			
	As at 31 December		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments, at cost	<u>61,014</u>	<u>77,853</u>	<u>96,752</u>
17. INVENTORIES			
	As at 31 December		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	44,640	45,458	70,819
Others	1,000	1,076	1,338
Total	<u>45,640</u>	<u>46,534</u>	<u>72,157</u>

APPENDIX I

ACCOUNTANTS’ REPORT

18. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	454,369	416,112	479,131
Impairment	(23,584)	(21,700)	(24,054)
Net carrying amount	<u>430,785</u>	<u>394,412</u>	<u>455,077</u>

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit periods for trade receivables are generally 30 days from the date of invoice and are set by different commercial categories or by business scale. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at the end of each of the Relevant Periods, the Group did not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 1 year	430,785	394,258	454,559
1 to 2 years	–	154	518
Total	<u>430,785</u>	<u>394,412</u>	<u>455,077</u>

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

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At beginning of year	17,273	23,584	21,700
Impairment losses/(reversal of impairment losses), net (note 6)	6,311	(1,884)	3,158
Amount written off as uncollectible	–	–	(804)
At end of year	<u>23,584</u>	<u>21,700</u>	<u>24,054</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the expected credit losses.

To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics and the days past due. Forward-looking information was also incorporated. The expected credit loss rates were 5.19%, 5.21% and 5.02% as at 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	150	–	–
Impairment	(7)	–	–
Net carrying amount	<u>143</u>	<u>–</u>	<u>–</u>

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

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<u>143</u>	<u>–</u>	<u>–</u>

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current			
Prepayments	8,839	9,564	36,294
Recoverable VAT	5,731	11,505	11,996
Deposits and other receivables	4,274	7,695	3,755
Other current assets	–	48	556
Impairment allowance	18,844 (64)	28,812 (137)	52,601 (103)
Total	<u>18,780</u>	<u>28,675</u>	<u>52,498</u>
Non-current			
Long-term rental deposits	15,129	13,303	13,552
Prepayments for other long-term assets	5,246	4,477	6,220
Prepayments for property, plant and equipment	1,957	68	69
Impairment allowance	22,332 (151)	17,848 (133)	19,841 (136)
Total	<u>22,181</u>	<u>17,715</u>	<u>19,705</u>

Prepayments mainly represent advance payments for marketing and promotion services, inventories, property management services.

APPENDIX I

ACCOUNTANTS’ REPORT

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. During the Relevant Periods, the loss allowance was assessed to be minimal.

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current			
Prepayments	502	617	948
Other current assets	–	–	538
Deposits and other receivables	116	493	173
	618	1,110	1,659
Impairment allowance	(6)	(21)	(4)
Total	<u>612</u>	<u>1,089</u>	<u>1,655</u>
Non-current			
Prepayments for property, plant and equipment	1,856	–	–
Prepayments for other long-term assets	2	–	64
Total	<u>1,858</u>	<u>–</u>	<u>64</u>

APPENDIX I

ACCOUNTANTS’ REPORT

20. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted equity investment, at fair value	15,015	21,290	25,549

The investment is an equity investment in an unlisted company (“Jiayue (Changxing) Supply Chain Co., Ltd”). The Group holds 5% of the equity interest in Jiayue (Changxing) Supply Chain Co., Ltd. As the Group has no significant influence over Jiayue (Changxing) Supply Chain Co., Ltd and no preferential rights except for the call option that GMJ Developments No.15 Limited has to buy-back and the put option that the Group has to sell 5% of the equity interest, at the both parties’ discretion by the end of August 2029, this investment is classified as financial asset measured at fair value through profit or loss.

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	639,502	797,539	758,321
Time deposits	–	–	51,074
Subtotal	639,502	797,539	809,395
Less:			
Restricted cash	(600)	(50)	(150)
Time deposits	–	–	(51,074)
Cash and cash equivalents	638,902	797,489	758,171

Restricted cash comprise of deposits pledged with banks as security in relation to the guarantees for consumer protection service commitments or for the fulfillment and compliance with platform agreements.

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

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

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash and bank balances	536	203,904	251,863
Less:			
Restricted cash	(66)	(50)	(50)
Cash and cash equivalents	<u>470</u>	<u>203,854</u>	<u>251,813</u>

22. TRADE PAYABLES

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

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within one year	45,800	38,098	51,540
1 to 2 years	–	52	–
Total	<u>45,800</u>	<u>38,150</u>	<u>51,540</u>

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

23. OTHER PAYABLES AND ACCRUALS

The Group

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Payroll and welfare payable		117,047	124,790	155,740
Accrual and other payables	<i>(b)</i>	25,545	47,670	67,198
Other tax payables		6,792	10,296	9,656
Contract liabilities	<i>(a)</i>	1,989	2,981	3,135
Total		151,373	185,737	235,729
Less: portion as non-current liabilities		(7,155)	(6,805)	(14,907)
Portion classified as current liabilities		<u>144,218</u>	<u>178,932</u>	<u>220,822</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(a) Details of contract liabilities are as follows:

	<u>1 January</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2023</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Provision of services	1,162	1,989	2,981	3,135

(b) Other payables are non-interest-bearing and repayable on demand.

The Company

	<u>As at 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Payroll payables	6,522	12,617	15,199
Accrual and other payables	1,660	4,089	12,922
Other tax payables	448	1,112	1,106
Total	<u>8,630</u>	<u>17,818</u>	<u>29,227</u>

24. DEFERRED TAX

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

Deferred tax assets

	<u>Impairment of financial assets</u>	<u>Government grants</u>	<u>Impairment of inventories</u>	<u>Losses available for offsetting against future taxable profits</u>	<u>Lease liabilities</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Gross deferred tax assets at 1 January 2023	2,420	–	505	963	24,651	28,539
Deferred tax credited/(charged) to profit or loss	<u>1,730</u>	<u>1,624</u>	<u>(76)</u>	<u>2,164</u>	<u>(3,811)</u>	<u>1,631</u>
Gross deferred tax assets at 31 December 2023 and 1 January 2024	4,150	1,624	429	3,127	20,840	30,170
Deferred tax credited to profit or loss	<u>29</u>	<u>215</u>	<u>200</u>	<u>1,393</u>	<u>90,043</u>	<u>91,880</u>
Gross deferred tax assets at 31 December 2024 and 1 January 2025	4,179	1,839	629	4,520	110,883	122,050
Deferred tax credited to profit or loss	<u>338</u>	<u>1,745</u>	<u>250</u>	<u>5,603</u>	<u>15,266</u>	<u>23,202</u>
Gross deferred tax assets at 31 December 2025	<u>4,517</u>	<u>3,584</u>	<u>879</u>	<u>10,123</u>	<u>126,149</u>	<u>145,252</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross deferred tax liabilities at 1 January 2023	–	22,226	22,226
Deferred tax charged/(credited) to profit or loss	61	(2,228)	(2,167)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	61	19,998	20,059
Deferred tax (credited)/charged to profit or loss	(30)	83,427	83,397
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	31	103,425	103,456
Deferred tax (credited)/charged to profit or loss	(26)	10,209	10,183
Gross deferred tax liabilities at 31 December 2025	<u>5</u>	<u>113,634</u>	<u>113,639</u>

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

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statements of financial position	<u>10,111</u>	<u>18,594</u>	<u>31,613</u>
Net deferred tax liabilities recognised in the consolidated statements of financial position	<u>–</u>	<u>–</u>	<u>–</u>

25. SHARE CAPITAL

The Group and The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid:			
Ordinary shares	<u>361,000</u>	<u>361,000</u>	<u>361,000</u>

APPENDIX I

ACCOUNTANTS’ REPORT

A summary of the Company’s share capital is as follows:

	Ordinary shares	Share capital
	<i>Number of shares in issue</i>	<i>RMB’000</i>
As at 1 January 2023, and 31 December 2023, 2024 and 2025	<u>361,000,000</u>	<u>361,000</u>

In December 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. As of the conversion date, the net assets of the Company, including paid-in capital, capital reserve, statutory reserve and retained profits, amounting to approximately RMB473,376,000, were converted into 361,000,000 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.

26. SHARE-BASED PAYMENTS

Share-based payments to key management personnel

During the year ended December 31, 2024, Shanghai Romomo issued 285,714 and 142,857 of its shares to Mr. Liu Jiangning and an entity controlled by him at a consideration of RMB22.2 per share, respectively.

The fair value of each share granted at granted date was approximately RMB81.6. The Group recognised equity-settled share-based payment expenses of RMB8,476,000 and RMB8,476,000 in relation to the above-mentioned equity-settled share-based payment for the years ended 31 December 2024 and 2025, respectively.

The fair value of each share at the grant date is determined using a DCF model, with the assistance of an independent third-party valuation firm. The key model inputs used in determining the fair value, include discount rate of 12.6% and discount for lack of marketability of 30%.

Employee incentive platform

During the Relevant Periods, the Company signed restricted share agreements (the “RS agreements”) with certain employees.

The following equity-settled share-based payment were outstanding during the Relevant Periods:

	Year ended 31 December					
	2023		2024		2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
At beginning of year	36,873,585	0.0037	33,274,188	0.0037	33,316,566	0.0037
Granted during the year	1,266,988	0.0037	4,709,370	0.0037	–	–
Forfeited during the year	(4,866,385)	0.0037	(4,666,992)	0.0037	(3,197,351)	0.0037
At end of year	<u>33,274,188</u>	<u>0.0037</u>	<u>33,316,566</u>	<u>0.0037</u>	<u>30,119,215</u>	<u>0.0037</u>

On March 20, 2020, the Company convened a board meeting and approved the implementation of an employee stock incentive plan, under which it was proposed to grant stock options corresponding to registered capital of RMB139,535. During 2020 to 2021, the Company granted multiple batches of stock options to the incentive recipients, with the shares corresponding to the options used for incentives being held by Shanghai Buy Quickly Partner Enterprise Management Center (Limited Partnership).

APPENDIX I

ACCOUNTANTS’ REPORT

On December 30, 2021, the Company was converted into a joint stock limited liability company with the registered share capital of RMB361,000,000. The registered capital of Shanghai Buy Quickly Partner Enterprise Management Center (Limited Partnership) had been converted to RMB37,905,050.

The stock options granted by the Company fall into two categories, of which entitles employees to purchase shares after the completion of a service period ranging from 0 to 1 years, and the other entitles employees to purchase shares after a period of 1 to 2 years or 1 to 3 years.

In June 2022, the Company amended its equity-settled share-based payment arrangement by replacing all outstanding share options with restricted shares on a 1:1 basis. Hence, there were no outstanding share options as of 31 December 2022.

The Group recognised equity-settled share-based payment expenses of RMB14,851,000, RMB17,809,000, and RMB20,183,000 in relation to the above-mentioned equity-settled share-based payment for the years ended 31 December 2023, 2024 and 2025, respectively.

Equity-settled share-based payment expense relating to restricted shares granted to employees which is based on the grant date fair values of the restricted shares is recognised on a straight-line basis over the entire vesting period. The fair value of each restricted share at the grant date is determined using a DCF model, with the assistance of an independent third-party valuation firm.

Key assumptions are set out below:

	As at 31 December	
	2023	2024
Discount rate (%)	12	12
Discount for lack of marketability (%)	20	20
	_____	_____

27. 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 on pages 6 to 8 of the Historical Financial Information.

(a) Statutory reserve

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

(b) Capital reserve

The capital reserve represents (i) the acquisition of minority interest of the Group’s subsidiaries; (ii) the excess of capital contributions from the equity holders of the Company over the share capital; and (iii) the conversion of the company into a joint stock company with limited liability underwent in 2021. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(c) Equity-settled share-based payment reserve

The equity-settled share-based payment reserve comprises the fair value of equity-settled share-based payment granted, as further explained in note 26.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial information of entities of which the functional currencies are not RMB.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

(e) Reserves of the Company

	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	Retained profits	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2023	4,260	643	51,072	5,790	61,765
Loss for the year	–	–	–	(778)	(778)
Equity-settled share-based payment arrangements	–	–	14,851	–	14,851
Transfer from retained profits	–	–	–	–	–
As at 31 December 2023 and 1 January 2024	<u>4,260</u>	<u>643</u>	<u>65,923</u>	<u>5,012</u>	<u>75,838</u>
Profit for the year	–	–	–	77,020	77,020
Equity-settled share-based payment arrangements	–	–	17,808	–	17,808
Transfer from retained profits	–	7,624	–	(7,624)	–
Dividends declared	–	–	–	(62,380)	(62,380)
As at 31 December 2024 and 1 January 2025	<u>4,260</u>	<u>8,267</u>	<u>83,731</u>	<u>12,028</u>	<u>108,286</u>
Profit for the year	–	–	–	316,899	316,899
Equity-settled share-based payment arrangements	–	–	20,183	–	20,183
Transfer from retained profits	–	31,690	–	(31,690)	–
Dividends declared	–	–	–	(200,000)	(200,000)
As at 31 December 2025	<u>4,260</u>	<u>39,957</u>	<u>103,914</u>	<u>97,237</u>	<u>245,368</u>

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had the following major non-cash transactions:

- (i) The Group had non-cash additions to right-of-use assets and lease liabilities of RMB26,912,000, RMB391,444,000 and RMB115,096,000 respectively, in respect of lease arrangements for leased properties.
- (ii) The Group had non-cash additions derecognised to right-of-use assets and lease liabilities of RMB1,672,000, RMB8,087,000 and RMB13,080,000 respectively, in respect of lease modifications for leased properties.

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Changes in liabilities arising from financing activities

	<u>Lease liabilities</u>
	<i>RMB’000</i>
At 1 January 2023	143,833
Changes from financing cash flows	(57,805)
New leases	26,912
Accretion of interest recognised during the year	4,458
Lease modification	(1,672)
Termination	(350)
	<hr/>
At 31 December 2023	115,376
	<hr/> <hr/>
At 1 January 2024	115,376
Changes from financing cash flows	(52,674)
New leases	391,444
Accretion of interest recognised during the year	18,432
Lease modification	(8,087)
	<hr/>
At 31 December 2024	464,491
	<hr/> <hr/>
At 1 January 2025	464,491
Changes from financing cash flows	(76,089)
New leases	115,096
Accretion of interest recognised during the year	27,701
Lease modification	(13,080)
	<hr/>
At 31 December 2025	518,119
	<hr/> <hr/>

(c) Total cash outflow for leases

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

	<u>Year ended 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within operating activities	2,840	1,479	564
Within financing activities	57,805	52,674	76,089
	<hr/>	<hr/>	<hr/>
Total	60,645	54,153	76,653
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

APPENDIX I

ACCOUNTANTS’ REPORT

29. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The Group holds 70% share of Shanghai Romomo which has material non-controlling interests. Details of Shanghai Romomo are set out below:

	As at 31 December	
	2024	2025
Percentage of equity interest held by non-controlling interests:		
Shanghai Romomo	30%	30%
	<u> </u>	<u> </u>
	During the year ended/ As at 31 December	
	2024	2025
	RMB’000	RMB’000
Profit for the year allocated to non-controlling interests:		
Shanghai Romomo	4,126	9,923
	<u> </u>	<u> </u>
Dividends paid to non-controlling interests of Shanghai Romomo	(5,889)	(4,200)
	<u> </u>	<u> </u>
Accumulated balances of non-controlling interests at the reporting date:		
Shanghai Romomo	10,729	19,797
	<u> </u>	<u> </u>

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	During the year ended/ As at 31 December	
	2024	2025
Revenue	376,336	423,617
Total expenses	(362,581)	(390,535)
Profit for the year	13,755	33,082
Total comprehensive income for the year	13,755	33,082
	<u> </u>	<u> </u>
Current assets	161,045	134,738
Non-current assets	56,787	37,030
Current liabilities	(158,723)	(95,539)
Non-current liabilities	(23,345)	(10,237)
	<u> </u>	<u> </u>
Net cash flows from operating activities	46,712	22,503
Net cash flows used in investing activities	(17,615)	(3,102)
Net cash flows used in financing activities	(21,215)	(26,699)
	<u> </u>	<u> </u>
Net increase/(decrease) in cash and cash equivalents	7,882	(7,298)
	<u> </u>	<u> </u>

APPENDIX I

ACCOUNTANTS’ REPORT

30. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales of products and services to related parties			
Entities with significant influence over the			
Group and their subsidiaries*	18,712	22,806	17,204

* Entities with significant influence over the Group and their subsidiaries include Shenzhen Ellassay Fashion Co., Ltd. and HongShan Jingrui (Xiamen) Investment Partnership Enterprise (Limited Partnership), both are shareholders of the Company. The sales to these related parties and/or their affiliates were made according to the terms and prices agreed in the contracts and sales mainly comprise:

- 1) Provision of services to Shenzhen Ellassay Fashion Co., Ltd. and its affiliates amounting to RMB6,096,000, and RMB4,106,000 for the years ended 31 December 2023 and 2024.
- 2) Provision of services to an affiliate of HongShan Jingrui (Xiamen) Investment Partnership Enterprise (Limited Partnership) amounting to RMB12,616,000, RMB18,700,000 and RMB17,204,000 for the Relevant Periods.

(b) Outstanding balances with related parties:

Amounts due from related parties:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade related			
Entities with significant influence over the			
Group and their subsidiaries	4,347	3,766	4,151

APPENDIX I

ACCOUNTANTS’ REPORT

(c) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind	5,949	6,289	5,629
Performance related bonuses	8,193	10,653	10,532
Equity-settled share-based payment expenses	4,550	13,104	13,239
Pension scheme contributions	185	180	158
Total compensation paid to key management personnel	18,877	30,226	29,558

Further details of directors’ and the chief executive’s emoluments are included in note 8 to the financial statements.

31. COMMITMENTS

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

32. FINANCIAL INSTRUMENTS BY CATEGORY

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

31 December 2023

Financial assets	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial asset at fair value through profit or loss	15,015	–	15,015
Trade receivables	–	430,785	430,785
Financial assets included in prepayments, other receivables and other assets	–	19,188	19,188
Restricted cash	–	600	600
Cash and cash equivalents	–	638,902	638,902
Total	15,015	1,089,475	1,104,490

APPENDIX I

ACCOUNTANTS’ REPORT

Financial liabilities	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	45,800
Financial liabilities included in other payables and accruals	25,426
	<hr/>
Total	71,226
	<hr/> <hr/>

31 December 2024

Financial assets	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial asset at fair value through profit or loss	21,290	–	21,290
Trade receivables	–	394,412	394,412
Financial assets included in prepayments, other receivables and other assets	–	20,728	20,728
Restricted cash	–	50	50
Cash and cash equivalents	–	797,489	797,489
	<hr/>	<hr/>	<hr/>
Total	21,290	1,212,679	1,233,969
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Financial liabilities	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	38,150
Financial liabilities included in other payables and accruals	47,492
	<hr/>
Total	85,642
	<hr/> <hr/>

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025

Financial assets	Financial asset at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial asset at fair value through profit or loss	25,549	–	25,549
Trade receivables	–	455,077	455,077
Financial assets included in prepayments, other receivables and other assets	–	17,068	17,068
Time deposits	–	51,074	51,074
Restricted cash	–	150	150
Cash and cash equivalents	–	758,171	758,171
Total	25,549	1,281,540	1,307,089
			Financial liabilities at amortised cost
			<i>RMB'000</i>
Trade payables			51,540
Financial liabilities included in other payables and accruals			67,010
Total			118,550

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group’s finance department headed by the Finance Director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Chief Financial Officer.

The fair values of the financial assets 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.

For the fair value of financial asset at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

APPENDIX I

ACCOUNTANTS’ REPORT

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at the end of each of the Relevant Periods:

Description	Valuation technique	Unobservable inputs	Amount of inputs			The Relationship Between Unobservable Inputs and Fair Value
			31 December 2023	31 December 2024	31 December 2025	
Financial asset at fair value through profit or loss	Direct capitalization method	Capitalization Rate	5.5%-7.0%	5.5%-7.0%	5.5%-7.0%	higher capitalization rate, lower fair value

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			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2023				
Financial asset at fair value through profit or loss	–	–	15,015	15,015
As at 31 December 2024				
Financial asset at fair value through profit or loss	–	–	21,290	21,290
As at 31 December 2025				
Financial asset at fair value through profit or loss	–	–	25,549	25,549

For the years ended 31 December 2023, 2024 and 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for a financial asset.

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

APPENDIX I

ACCOUNTANTS’ REPORT

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, trade receivables, financial assets included in prepayments other receivables and other assets, financial asset at fair value through profit or loss, trade payables and financial liabilities included in other payables and accruals. 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 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 these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on 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.

As at 31 December 2023	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables*	–	–	–	454,369	454,369
Financial assets included in prepayments, other receivables and other assets					
– Normal**	19,403	–	–	–	19,403
Restricted cash					
– Not yet past due	600	–	–	–	600
Cash and cash equivalents					
– Not yet past due	638,902	–	–	–	638,902
Total	658,905	–	–	454,369	1,113,274

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2024	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables*	–	–	–	416,112	416,112
Financial assets included in prepayments, other receivables and other assets					
– Normal**	20,998	–	–	–	20,998
Restricted cash					
– Not yet past due	50	–	–	–	50
Cash and cash equivalents					
– Not yet past due	797,489	–	–	–	797,489
Total	818,537	–	–	416,112	1,234,649

As at 31 December 2025	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables*	–	–	–	479,131	479,131
Financial assets included in prepayments, other receivables and other assets					
– Normal**	17,307	–	–	–	17,307
Time deposits and restricted cash					
– Not yet past due	51,224	–	–	–	51,224
Cash and cash equivalents					
– Not yet past due	758,171	–	–	–	758,171
Total	826,702	–	–	479,131	1,305,833

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements.

** 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”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

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

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2023				
Trade payables	45,800	–	–	45,800
Financial liabilities included in other payables and accruals	18,271	7,155	–	25,426
Lease liabilities	40,722	82,374	–	123,096
Total	104,793	89,529	–	194,322
As at 31 December 2024				
Trade payables	38,150	–	–	38,150
Financial liabilities included in other payables and accruals	40,687	6,805	–	47,492
Lease liabilities	87,829	240,097	315,302	643,228
Total	166,666	246,902	315,302	728,870
As at 31 December 2025				
Trade payables	51,540	–	–	51,540
Financial liabilities included in other payables and accruals	52,103	14,907	–	67,010
Lease liabilities	80,516	274,513	385,639	740,668
Total	184,159	289,420	385,639	859,218

APPENDIX I

ACCOUNTANTS’ REPORT

Capital management

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

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

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

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Total liabilities	336,252	700,862	825,477
Total assets	1,383,299	1,858,654	2,021,789
Debt-to-asset ratio	24.31%	37.71%	40.83%

35. EVENTS AFTER THE RELEVANT PERIODS

On 8 April 2026, the Company declared cash dividends of RMB200.0 million.

36. SUBSEQUENT FINANCIAL STATEMENTS

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