

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-92, received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LALATECH HOLDINGS LIMITED, GOLDMAN SACHS (ASIA) L.L.C., MERRILL LYNCH (ASIA PACIFIC) LIMITED AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of Lalatech Holdings Limited (formerly known as Huolala Global Investment Limited) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-92, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-92 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

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 and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company 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” issued by the Hong Kong Institute of Certified Public Accountants (the “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.

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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’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 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 purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED 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 28(c) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[Date]

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HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Expressed in US Dollars (“US\$”)

	Note	Years ended December 31,		
		2023	2024	2025
		US\$’000	US\$’000	US\$’000
Revenue	4	1,334,213	1,592,966	2,139,242
Cost of revenue		(517,214)	(671,891)	(1,058,692)
Gross profit		816,999	921,075	1,080,550
Other income	6	46,173	43,051	41,142
Selling and marketing expenses		(179,192)	(162,759)	(159,710)
Research and development expenses		(174,788)	(178,649)	(180,418)
General and administrative expenses		(186,900)	(203,019)	(192,783)
Operating profit		322,292	419,699	588,781
Finance income	7	48,451	57,114	43,591
Finance costs	7	(2,774)	(2,558)	(1,595)
Share of (losses)/profits of an equity-accounted investee, net of tax	14	(741)	(14)	958
Gains of financial instruments measured at fair value through profit or loss	16	6,356	2,278	16,349
Changes in fair value of redeemable convertible preferred shares	26	605,801	(46,573)	(98,266)
Profit before taxation		979,385	429,946	549,818
Income tax	8(a)	(6,704)	3,688	(102,454)
Profit for the year		<u>972,681</u>	<u>433,634</u>	<u>447,364</u>
Attributable to:				
Shareholders of the Company		971,861	432,647	446,938
Non-controlling interests		820	987	426
Profit for the year		<u>972,681</u>	<u>433,634</u>	<u>447,364</u>
Earnings per share				
Basic (US\$)	11	11.50	5.14	5.31
Diluted (US\$)	11	2.15	2.78	3.17

The notes on pages I-14 to I-92 form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Expressed in US\$

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Profit for the year	972,681	433,634	447,364
Other comprehensive (loss)/income for the year			
Item that may be reclassified subsequently to			
profit or loss:			
Exchange differences arising from net investment			
in foreign operations and translation of			
financial statements	(7,610)	(19,160)	43,851
Total comprehensive income for the year	965,071	414,474	491,215
Attributable to:			
Equity shareholders of the Company	964,241	413,263	490,608
Non-controlling interests	830	1,211	607
Total comprehensive income for the year	965,071	414,474	491,215

The notes on pages I-14 to I-92 form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in US\$

	Note	As at December 31,		
		2023	2024	2025
		US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	12	26,312	26,990	32,374
Intangible assets		1,161	946	1,219
Interest in an equity-accounted investee	14	115,104	113,397	116,946
Finance lease receivables	17	10,785	44,869	40,888
Other non-current assets	13	—	4,104	—
Deferred tax assets	27(b)	—	19,598	15,611
		<u>153,362</u>	<u>209,904</u>	<u>207,038</u>
Current assets				
Inventories	15	2,105	3,744	19,506
Trade and other receivables	18	146,257	164,284	203,144
Finance lease receivables	17	7,267	21,536	22,921
Financial assets measured at fair value through profit or loss	16	98,449	100,646	962,772
Deposits with banks	19(b)	212,244	138,519	174,546
Restricted cash	19(c)	246,048	306,188	413,150
Cash and cash equivalents	19(a)	<u>1,676,633</u>	<u>2,121,849</u>	<u>1,822,267</u>
		<u>2,389,003</u>	<u>2,856,766</u>	<u>3,618,306</u>
Current liabilities				
Trade and other payables	21	651,458	660,054	822,253
Contract liabilities	24	16,184	16,852	16,775
Lease liabilities	23	10,769	11,942	8,351
Redeemable convertible preferred shares . . .	26(b)	4,673,030	4,719,603	4,817,869
Interest-bearing borrowings	22	—	38,910	42,801
		<u>5,351,441</u>	<u>5,447,361</u>	<u>5,708,049</u>
Net current liabilities		<u>(2,962,438)</u>	<u>(2,590,595)</u>	<u>(2,089,743)</u>
Total assets less current liabilities		(2,809,076)	(2,380,691)	(1,882,705)

The notes on pages I-14 to I-92 form part of the Historical Financial Information.

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	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Non-current liabilities				
Interest-bearing borrowings	22	—	—	285
Lease liabilities	23	9,184	8,338	5,302
		9,184	8,338	5,587
NET LIABILITIES		(2,818,260)	(2,389,029)	(1,888,292)
CAPITAL AND RESERVES				
Share capital	28(a)	84	84	84
Share premium	28(a)	68,310	68,310	68,310
Reserves	28(b)	19,906	22,886	76,611
Accumulated losses		(2,907,093)	(2,482,053)	(2,035,648)
Total deficit attributable to equity				
shareholders of the Company		(2,818,793)	(2,390,773)	(1,890,643)
Non-controlling interests		533	1,744	2,351
TOTAL DEFICIT		(2,818,260)	(2,389,029)	(1,888,292)

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Expressed in US\$

		As at December 31,		
	<i>Note</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Non-current assets				
Investments in subsidiaries	<i>1</i>	75,294	75,294	76,429
Amounts due from subsidiaries	<i>20</i>	<u>451,111</u>	<u>1,868,780</u>	<u>2,108,519</u>
		<u>526,405</u>	<u>1,944,074</u>	<u>2,184,948</u>
Current assets				
Other receivables		9,619	8,040	7,600
Amounts due from subsidiaries	<i>20</i>	1,097,858	—	—
Financial asset measured at fair value through profit or loss		5,833	6,289	5,000
Deposits with banks	<i>19(b)</i>	134,070	57,475	45,028
Cash and cash equivalents	<i>19(a)</i>	<u>659,337</u>	<u>429,265</u>	<u>243,074</u>
		<u>1,906,717</u>	<u>501,069</u>	<u>300,702</u>
Current liabilities				
Other payables		3,453	2,223	1,394
Amounts due to subsidiaries	<i>20</i>	22,249	28,439	28,423
Redeemable convertible preferred shares . . .	<i>26(b)</i>	<u>4,591,209</u>	<u>4,624,365</u>	<u>4,708,842</u>
		<u>4,616,911</u>	<u>4,655,027</u>	<u>4,738,659</u>
Net current liabilities		<u>(2,710,194)</u>	<u>(4,153,958)</u>	<u>(4,437,957)</u>
NET LIABILITIES		<u>(2,183,789)</u>	<u>(2,209,884)</u>	<u>(2,253,009)</u>
CAPITAL AND RESERVES				
Share capital	<i>28(a)</i>	84	84	84
Share premium	<i>28(a)</i>	68,310	68,310	68,310
Reserves	<i>28(b)</i>	74,044	88,801	98,323
Accumulated losses		<u>(2,326,227)</u>	<u>(2,367,079)</u>	<u>(2,419,726)</u>
TOTAL DEFICIT		<u>(2,183,789)</u>	<u>(2,209,884)</u>	<u>(2,253,009)</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Expressed in US\$

Total equity attributable to equity shareholders of the Company										
Note	Share-based			Share-			Non-			Total deficit
	capital	premium	Other reserves	payment reserve	Statutory reserve	Exchange reserve	Accumulated losses	Total	controlling interest	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Note 28(a)	Note 28(a)	Note 28(b)	Note 28(b)	Note 28(b)	Note 28(b)				
Balance at January 1, 2023	86	68,310	13,416	54,208	—	(47,371)	(3,768,745)	(3,680,096)	(297)	(3,680,393)
Changes in equity for 2023:										
Profit for the year	—	—	—	—	—	—	971,861	971,861	820	972,681
Other comprehensive (loss)/income	—	—	—	—	—	(7,620)	—	(7,620)	10	(7,610)
Total comprehensive (loss)/income	—	—	—	—	—	(7,620)	971,861	964,241	830	965,071
Equity-settled share-based transactions	25	—	—	19,730	—	—	—	19,730	—	19,730
Appropriation for statutory reserve	—	—	—	—	853	—	(853)	—	—	—
Repurchase of exercised/vested share award	—	—	—	(11,947)	—	—	—	(11,947)	—	(11,947)
Forfeiture of share award	25	—	—	(1,363)	—	—	—	(1,363)	—	(1,363)
Repurchases of ordinary shares issued	28(a)	(1)	—	—	—	—	(73,029)	(73,030)	—	(73,030)
Repurchases of non-redeemable convertible preferred shares issued	28(a)	(1)	—	—	—	—	(36,327)	(36,328)	—	(36,328)
Balance at December 31, 2023	84	68,310	13,416	60,628	853	(54,991)	(2,907,093)	(2,818,793)	533	(2,818,260)

The notes on pages I-14 to I-92 form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in US\$

	<i>Note</i>	Years ended December 31,		
		2023	2024	2025
		<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>
Operating activities				
Cash generated from operations	19(d)	362,395	381,037	569,765
Income tax paid		(3,253)	(11,550)	(56,164)
Net cash generated from operating activities		359,142	369,487	513,601
Investing activities				
Interest received		44,836	58,171	43,676
Payment for purchase of property, plant and equipment		(3,032)	(9,017)	(11,318)
Payment for purchase of intangible assets		—	(12)	(156)
Proceeds from disposal of property, plant and equipment		244	427	105
Placement of deposits with banks		(506,270)	(823,226)	(755,160)
Withdrawal of deposits from banks		534,858	852,357	722,585
Purchase of wealth management products		(31,610)	—	(1,259,179)
Redemption of wealth management products		41,714	—	397,964
Acquisition of financial assets measured through profit or loss		(12,934)	—	—
Receipt of interest on unlisted debt investments		—	—	28,092
Net cash generated from/(used in) investing activities		67,806	78,700	(833,391)

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	Note	Years ended December 31,		
		2023	2024	2025
		US\$'000	US\$'000	US\$'000
Financing activities				
Proceeds from exercise of share options		344	280	181
Payment for purchase of shares for share incentive plans		(14,580)	(3,164)	(3,937)
Proceeds from the issuance of redeemable convertible preferred shares	19(e)	77,000	—	—
Payment for repurchase of redeemable convertible preferred shares	19(e)	(72,219)	—	—
Payment for repurchase of non-redeemable convertible preferred shares		(36,328)	—	—
Payment for repurchase of ordinary shares . .		(73,030)	—	—
Proceeds from new bank loans	19(e)	49,781	38,910	43,150
Repayment of bank loans	19(e)	(49,781)	—	(39,132)
Capital element of lease rentals paid	19(e)	(13,857)	(14,282)	(9,930)
Interest element of lease rentals paid	19(e)	(968)	(1,019)	(773)
Interest and other borrowing costs paid	19(e)	(1,692)	(1,362)	(822)
Net cash (used in)/generated from financing activities		(135,330)	19,363	(11,263)
Net increase/(decrease) in cash and cash equivalents		291,618	467,550	(331,053)
Cash and cash equivalents at the beginning of the year		1,400,176	1,676,633	2,121,849
Effect of movements in exchange rates		(15,161)	(22,334)	31,471
Cash and cash equivalents at the end of the year	19(a)	1,676,633	2,121,849	1,822,267

The notes on pages I-14 to I-92 form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

Expressed in US\$ unless otherwise indicated

1 Basis of preparation and presentation of historical financial information

Lalatech Holdings Limited (the “Company”) was incorporated in the Cayman Islands on October 27, 2014 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in the rendering of comprehensive services for carriers through its online platform (the “[REDACTED] Business”) in the People’s Republic of China (the “PRC”).

As the [REDACTED] Business conducted by Shenzhen Huolala Technology Co., Ltd., Lala (Tianjin) Automotive Technology Co., Ltd., Tianjin Huolala Technology Co., Ltd., Guangzhou Layi Information Technology Co., Ltd., Shandong Lala Energy Technology Co., Ltd., Full Truck (Beijing) Logistics Co., Ltd. and Beijing Jiche Technology Co., Ltd. (the “Structured Entities”) are subject to foreign investment restrictions under the relevant Chinese Mainland laws and regulations (the “Restricted Business”), the Group (through wholly-owned subsidiary of the Company (“WFOE”)) entered into a series of contractual arrangements (the “Contractual Arrangements”) with the Structured Entities and their registered shareholders to operate the Restricted Business. The Company’s contractual arrangements with Guangzhou Layi Information Technology Co., Ltd. and Full Truck (Beijing) Logistics Co., Ltd. were terminated on July 15, 2024 and March 26, 2025 respectively.

The equity interests of the Structured Entities are legally held by individuals and companies who act as their registered shareholders on behalf of the WFOE. The Contractual Arrangements include the Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Share Pledge Agreement, and Power of Attorney. Under the Contractual Arrangements, the WFOE has the power to direct activities that most significantly impact the Structured Entities and their subsidiaries, including appointing key management, setting up financial and operating policies, exerting financial controls and transferring profits or assets out of the Structured Entities and its subsidiaries at its discretion, to the extent permitted by the Chinese Mainland laws and regulations. The WFOE considers that they also have the right to substantially transfer all of the economic benefits of the Structured Entities and have an exclusive option to purchase all or part of the equity interests in the Structured Entities when and to the extent permitted by the Chinese Mainland laws and regulations at the minimum price possible.

The Group has determined that the Contractual Arrangements are in compliance with the Chinese Mainland laws and regulations and are legal and valid. However, uncertainties in the Chinese Mainland legal system could limit the Group’s ability to enforce the Contractual Arrangements.

Other Contractual Arrangements were also established by the Group for other entities or operations in certain jurisdictions which were neither individually nor aggregately material to the Historical Financial Information throughout the Track Record Period.

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As of December 31, 2025, the Company’s principal subsidiaries are as follows:

Company name	Place and date of incorporation	Particulars of issued and paid-up capital	Proportion of ownership interest		Principal activities
			Held by the Company	Held by a subsidiary	
Directly and indirectly held					
Shenzhen Yishi Huolala Technology Limited (深圳依時貨拉拉科技有限公司)* (notes (a), (c))	Chinese Mainland February 10, 2015	RMB100,000,000/ RMB100,000,000	—	100%	Freight platform operation and logistics service
LaLa Autobot Company Limited (小明汽車機器科技有限公司) (notes (d))	Cayman Island September 6, 2019	USD16,712/ USD12,101	85.19%	—	Investment management
Shenzhen Lala Management Service Consultancy Co., Ltd. (深圳啦啦管理服務諮詢有限公司)* (notes (a), (d))	Chinese Mainland March 3, 2021	RMB10,000,000/ nil	—	100%	Corporate management and human resources consultancy services
Easyman Express Limited (全民快遞有限公司) (notes (d))	Hong Kong August 22, 2014	HK\$1/nil	—	100%	Investment management
Held through Contractual Arrangements					
Shenzhen Huolala Technology Co., Ltd. (深圳貨拉拉科技有限公司)* (notes (b), (c))	Chinese Mainland August 31, 2016	RMB10,000,000/ nil	—	100%	Less-than-truckload and home-moving services
Tianjin Huolala Technology Co., Ltd. (天津貨拉拉科技有限公司)* (notes (b), (c))	Chinese Mainland March 23, 2020	RMB60,000,000/ nil	—	100%	Freight and home-moving information matching
Lala (Tianjin) Automotive Technology Co., Ltd. (啦啦(天津)汽車科技有限公司)* (notes (b), (c))	Chinese Mainland November 7, 2019	RMB10,000,000/ RMB10,000,000	—	100%	Online freight and integrated enterprise platform service

* The English translation of the names are for reference only. The official names of these entities are in Chinese.

Notes:

- (a) These entities were registered as a wholly foreign-owned enterprise under Chinese Mainland Law.
- (b) These entities were registered as a domestic enterprise under Chinese Mainland Law.

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- (c) These entities’ statutory financial statements for the year ended December 31, 2023 were prepared in accordance with Generally Accepted Accounting Principles in the PRC (“PRC GAAP”) and audited by Peking Certified Public Accountants Co., Ltd. (中勤萬信會計師事務所(特殊普通合夥)深圳分所). These entities’ statutory financial statements for the year ended December 31, 2024 were prepared in accordance with PRC GAAP and audited by Zhong Xing Hua Certified Public Accountants Co., Ltd. (中興華會計師事務所(特殊普通合夥)深圳分所). The audited financial statements of this entity for the year ended December 31, 2025 is not yet available.
- (d) No statutory financial statements have been prepared for this entity for the years ended December 31, 2023, 2024 and 2025.

All companies comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 and not adopted in the Historical Financial Information are set out in Note 32.

As at December 31, 2025, the Group had net current liabilities and net liabilities of US\$2,089,743,000 and US\$1,888,292,000 primarily due to the redeemable convertible preferred shares issued by the Company amounting to US\$4,708,842,000. Further details of the redeemable convertible preferred shares are disclosed in Note 26.

Management has assessed that the preferred rights and redemption features of the redeemable convertible preferred shares would be terminated upon a Qualified [REDACTED] (defined in Note 26) and the redeemable convertible preferred shares would be converted into equity which would lead to a significant improvement to the Group’s net liabilities position. By excluding the redeemable convertible preferred shares, the Group would be at a net current asset position and net asset position of US\$2,619,099,000 and US\$2,820,550,000 as at December 31, 2025. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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2 Material accounting policy information

(a) Basis of measurement

The Historical Financial Information is presented in US\$, rounded to nearest thousands, unless otherwise indicated.

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for certain financial assets and liabilities measured at their fair value as explained in Notes 2(l) and 2(p).

(b) Use of estimates and judgments

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Historical Financial information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities (including entities controlled through Contractual Arrangements) controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Subsidiaries controlled through Contractual Arrangements have been designed such that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of Contractual Arrangements.

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An investment in a subsidiary is consolidated into the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information.

Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between non-controlling interests and the shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(1)) or, when appropriate, the cost on initial recognition of an investment in an associate/joint venture (see Note 2(d)).

(d) Interest in an equity-accounted investee

The Group’s interest in an equity-accounted investee represents its interest in an associate/joint venture.

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement and have rights to the net assets of the arrangement.

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An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group’s share of the acquisition-date fair values of the investee’s identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group’s equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group’s share of the investee’s net assets and any impairment loss relating to the investment (see Note 2(h)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group’s share of the post-acquisition, post-tax results of the investees and any impairment losses for the period are recognised in the consolidated statement of profit or loss, whereas the Group’s share of the post-acquisition post-tax items of the investees’ other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	Over the shorter of the lease term and the estimated useful lives
Right-of-use asset	Over the unexpired lease terms
Moulds	5 years
Furniture, fixtures and equipment	3-6 years
Motor vehicles	4 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

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(f) Intangible assets

(i) Research and development

Expenditures on research activities is recognised in profit or loss as incurred.

Costs incurred on research and development are capitalised as intangible assets only when certain recognition criteria are met, including (a) it is technically feasible to complete the intangible assets so that it will be available for use; (b) management intends to complete the intangible assets and use or sell it; (c) there is an ability to use or sell the intangible assets; (d) it can be demonstrated how the intangible assets will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible assets are available; and (f) the expenditure attributable to the intangible assets during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred.

Due to the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project, when the remaining development costs are immaterial. Hence, no research and development costs were capitalised as intangible assets as at December 31, 2023, 2024 and 2025.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(h)(ii)). Expenditure on internally generated goodwill and brands are recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- Software 3 - 10 years

The estimates and associated assumptions of useful life determined by the Group are based on technical and commercial obsolescence, legal or contractual limits on the use of the asset and other relevant factors. Based on the current functionalities equipped by the software and the daily operation needs, the Group considers a useful life of 3-10 years to be their best estimation.

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

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(g) Leased assets

At inception of a contract, the Group assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets in “property, plant and equipment” and lease liabilities separately in the consolidated statements of financial position. The current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group operates a business of leasing vehicles to carriers when the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

When the Group acts as a dealer lessor under finance lease, the Group recognise:

- (a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the Group, discounted using a market rate of interest; and interest income is accrued separately under the effective interest method;
- (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and
- (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which IFRS 15, *Revenue from Contracts with Customers* applies.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (“ECLs”) on the following items:

- financial assets measured at amortised cost; and
- finance lease receivables.

Financial assets measured at fair value are not subject to the ECL assessment.

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- finance lease receivables: discount rate used in the measurement of the lease receivables.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For finance lease receivables and all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

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Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates. Loan commitments to provide a loan at a below-market interest rate are designated as financial liabilities at fair value through profit or loss.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(v)(i) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- interest in an equity-accounted investee; and
- investments in subsidiaries in the Company’s statements of financial position.

If any such indication exists, the asset’s recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

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- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

(i) Inventories

Inventories represent vehicles held for sale and other supplies held in the ordinary course of business.

Inventories are carried at the lower of cost and net realisable value calculated as follows:

- Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

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The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(j) Contract liabilities

The Group’s contract liabilities mainly consist of deferred revenue for discount program fees (see Note 2(u)(i)), which are non-refundable and are recognised as revenue on a straight-line basis over the validity period of discount benefits.

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(h)(i)).

(l) Other investments

The Group’s policies for investments, other than investments in subsidiaries, associates and joint ventures are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

Investments other than equity investments

Non-equity investments, including committed future investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(v)(i)).

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- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(m) Finance lease receivables

At the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognised as finance lease receivables, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognised as unearned finance income. Unearned finance income is recognised as interest income using the effective interest method over the lease term.

Contingent rentals under finance lease are recognised as revenue in the periods in which they are incurred.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(h)(i).

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(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Preferred shares

The Company issued certain series of redeemable and non-redeemable preferred shares to investors.

(i) Non-redeemable convertible preferred shares

Non-redeemable convertible preferred shares are classified as equity when they have no maturities or redemption features, but can be converted into ordinary shares of the Company upon certain conversion events. The non-redeemable convertible preferred shares were initially recognised at the amounts equal to the considerations received from the holders for issuance and net of issuance costs.

(ii) Redeemable convertible preferred shares

The holders of the redeemable convertible preferred shares have the right to require the Group to redeem all of the redeemable convertible preferred shares at guaranteed predetermined fixed amount at certain redemption events, which are out of the control of the Group.

The holders also have the option to convert the preferred shares into the Company’s ordinary shares and it is exercisable at any time. Upon the completion of a qualified [REDACTED] (Qualified “[REDACTED]”, as defined in Note 26(b)), all the redeemable convertible preferred shares will be automatically converted into the Company’s fully paid and non-assessable ordinary shares.

The redeemable convertible preferred shares are accounted for in their entirety as financial liabilities at fair value through profit or loss, with fair value changes reflected in change in fair value of redeemable convertible preferred shares within the consolidated statements of profit or loss.

Accordingly, the embedded conversion features do not require future evaluation, bifurcation, and separate accounting as embedded derivatives as the change in fair value of embedded features are reflected in the change in fair value in the compound instrument under such whole instrument approach. Issue costs that are directly attributable to the issue of the instruments, designated as financial liabilities at fair value through profit or loss, are recognised immediately in profit or loss. As the holders of these redeemable convertible preferred shares can exercise the conversion option at any time and the conversion option is not classified as an equity instrument, the Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. Therefore, the amounts are classified as current liabilities.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense are expensed in the period in which they are incurred.

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(r) Employee benefits

(i) Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Contributions to defined contribution retirement plans

Pursuant to the relevant laws and regulations of the Chinese Mainland, the Group’s subsidiaries in the Chinese Mainland participate in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (the “MPF Scheme”) for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The Group participates in various defined contribution retirement benefit plans which are available to all other overseas subsidiaries. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a fund and the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group’s contributions to the defined contribution plans are expensed as incurred.

(iii) Share-based payment

The Group operates certain equity-settled share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments of the Group.

The fair value of share awards granted to employees is recognised as an employee cost with a corresponding increase in the share-based payment reserve. The fair value is measured at grant date, taking into account the terms and conditions upon which the shares or share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares or share options, the total estimated fair value of the shares or share options is spread over the vesting period, taking into account the probability that the shares or share options will vest.

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During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the period of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vested (with a corresponding adjustment to equity).

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, the entity identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the entity shall account for the granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments.

(iv) Termination benefits

Termination benefits are recognised as an expense at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits. If benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted.

(s) Income tax

Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

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- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue recognition

The Group derives revenue principally from the following sources:

- discount program fees and commissions from carriers from the provision of platform services, in which the Group arranges for freight transportation opportunities to be offered to prospective carriers;

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- freight transportation revenue from corporate users from the provision of enterprise services, in which the Group provides one-stop shop logistic solutions by utilising the network of registered carriers on the Group’s platform; and
- revenue from the sale or leasing of trucks to carriers and other value-added services in connection with the platform.

Revenue is recognised when a performance obligation is satisfied, i.e. when control over a good or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue is measured after deduction of any trade discounts and excludes value added tax (“VAT”). The Group does not report VAT in the profit or loss as the Group collects VAT on behalf of the government.

Further details of the Group’s revenue recognition policies are as follows:

The Group generates revenue from freight platform services primarily through discount program fees and transaction-based commissions from carriers for their use of the Group’s platform. The Group’s role is to arrange for freight transportation opportunities to be offered to prospective carriers, and does not have the ability to control whether or how the freight transportation service is performed by carriers. Accordingly, the Group has determined that it acts as an agent and presents the related revenue net. For platform services, the Group has identified only the carriers but not the merchants as their customers under IFRS 15. This identification involves a judgment of all relevant facts and circumstances. Among other things, the Group’s contractual arrangements with merchants explicitly state that it neither charges merchants fees or other consideration for their access and use of the platform, nor guarantees that merchants’ transportation service requests would be accepted by carriers; the arrangements with merchants are also explicit that the Group collects fees from merchants on behalf of carriers.

Carriers are required to register on the platform and agree to a framework agreement, which lists out the terms and conditions with regards to receiving services through the Group’s platform.

(i) Discount program fees

The Group’s freight platform offers different tiers of discount program for carriers that offers varying levels of discounts on the commissions charged for fulfilled orders. Most of the carriers of the Group enrolled the discount program. Discount programs are generally run for calendar months, with fees paid in advance. Discount program fees revenue is recognised over the validity period of discount benefits on a straight-line basis.

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(ii) Commissions

Carriers agree to the Group retaining a certain percentage of fees earned by the carriers as consideration for their use of the Group’s platform from the fare it collects from the merchants on behalf of the carriers. The Group recognises such commission revenue upon making a successful referral of a paying merchant to a carrier, at the time when the related freight transportation service has been completed by the carriers and the merchants have the obligation to pay to carriers.

(iii) Enterprise services

Under the business model of enterprise services, the Group generates revenue from freight transportation service fees from corporate users for fulfilling their shipment orders and providing certain other ancillary services through the Group’s platform. The Group has determined that it is a principal as it is primarily responsible for fulfilling freight transportation needs of corporate users and has the ability to control the related services. Among other things, under the contractual arrangements with corporate users the Group is responsible for and guarantees identifying and directing carriers that meet the specified quality criteria, including fulfilment rates, and is liable for damages if such quality criteria are not met or if there are losses or damage during transportation. In order to fulfil its primary responsibility under its contracts with corporate users, the Group identifies a specific group of carriers and commits their capacity by means of providing incremental consideration and minimum number of service orders assignment. Additionally, the Group negotiates separately the pricing of freight transportation services with the corporate users, which is generally pre-determined at contract inception, and the fulfilment costs payable to the carriers, which is determined subsequently and driven by market forces. Accordingly, the Group recognises enterprise services revenue at the time when related freight transportation service has been completed by the carriers, on a gross basis, with the amounts paid to carriers presented as cost of revenues.

(iv) Sales of vehicles and vehicles sales related services

Vehicles sales related service

For carriers registered on the platform without their own vehicles, the Group facilitates them to obtain suitable vehicle using its platform. Auto manufacturers and dealers can sell or lease their vehicles to the carriers on the Group’s platform. The Group charges a service fee from facilitating the vehicle sales or leasing transactions through the platform.

Revenue from the facilitation of vehicle sales or lease transactions is recognised when the service is rendered.

Sales of vehicles

Revenue from the sales of vehicles is recognised when the customer obtains control of the vehicles. Factors to determine when the customer obtains control of the vehicle include the timing of issuance of registration documents (applicable to certain jurisdictions) and dates of delivery and acceptance.

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The Group generally does not accept return of products from the customers, except for quality defects or transportation damages in rare cases.

The Group provides sales rebates to its distributors who satisfy relevant requirements specified in the distribution agreements and the Group’s distributor incentivising policies. The above sales rebates to distributors give rise to variable consideration. The Group uses the most likely amount approach to estimate variable consideration based on the Group’s current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of products to distributors, the Group recognises revenue after taking into account adjustment to transaction price arising from sales rebates which are estimated and updated at each reporting date.

(v) Leasing of vehicles

Revenue from operating lease of vehicles is recognised on a straight-line basis over the lease term. Revenue from finance lease is recognised at the commencement of the lease (see Note 2(g)(ii)).

(vi) Other services

The Group also provides a variety of other services, including home-moving service matching, less than truckload freight services and other value-added services, including energy services, credit solutions and insurance.

Revenue from the provision of the above services is recognised when the services are rendered.

Incentive programs

The Group offers incentives to carriers and merchants, further details of which are set out below:

(i) Carriers incentives

Under the business model of freight platform services, the Group offers various cash subsidies to carriers, which can be separated into transaction-based subsidies, performance-based subsidies and referral subsidies. Transaction-based subsidies represent subsidies granted upon the completion of specific freight transportation requests during events or peak hours. Performance-based subsidies are granted upon the completion of certain tasks, such as completing a certain number of freight transportation requests by the carrier during a specified period. There are also subsidies granted to existing carriers for their referral of new carriers.

Transaction-based subsidies are granted upon the completion of the specific request. Performance-based subsidies are similar to retrospective volume-based rebates and represent variable consideration. Performance-based subsidies to be granted are estimated using the most likely amount method. Since the amount of performance-based subsidies to be granted is confirmed within a short period of time (typically within a week), there is limited uncertainty when estimating variable considerations.

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Referral subsidies are granted upon a successful referral of new carriers.

For freight platform services, as the Group considers carriers to be its customers, both transaction-based and performance-based subsidies are recorded as a reduction to revenue as the Group does not receive a distinct good or service in exchange for the payment.

Subsidies granted for referral of new carriers are accounted for as sales and marketing expenses when the fair value of the benefit received can be reasonably estimated with reference to amounts paid to third parties for similar services.

When incentives provided to carriers exceed the revenue earned in a particular market, the resulting negative revenue is reclassified as sales and marketing expenses.

The Group also offer subsidies to carriers to incentivise them to fulfil freight transportation requests for enterprise services. For such transactions where the Group act as a principal and recognise revenue on a gross basis, the related carriers incentives are included in fulfilment costs.

(ii) Merchant incentives

Under the business model of freight platform services, from time to time the Group at its discretion offers various forms of incentives, for example, coupons and discount vouchers, to merchants. Since the Group has identified the carriers but not the merchants as its customers under IFRS 15, the Group has considered whether such incentives to merchants are payment on behalf of carriers by assessing the varying features and objectives of different incentive programs and evaluating whether the incentives represent implicit obligation to merchants on behalf of carriers. Incentives to merchants that are payments on behalf of customers are recorded as reduction in revenue.

During the periods presented in these Historical Financial Information, the Group has not recorded any merchant incentives as reduction in revenue. The Group’s merchant incentive offerings are primarily strategic offerings dynamically targeted at different selected groups of merchants with specific characteristics within a short period of time. For such strategic offerings, the target groups are primarily determined with the assistance of algorithms based on data analytics of individual merchants’ usage pattern and market behaviours, and the targeted characteristics may change from time to time at the Group’s judgment. In view of the above and the level of unpredictability of target groups, the Group has determined that such strategic incentive offerings are costs of enhancing the platform services provided to carriers and recognises the amounts of the coupons and discount vouchers under these strategic offerings as sales and marketing expenses when the coupons and discount vouchers are used.

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(v) *Other income*

(i) *Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(h)(i)).

(ii) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(w) *Translation of foreign currencies*

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The functional currency of the Group’s subsidiaries are determined based on the economic facts and circumstances. Statement of profit or loss items are translated into US\$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into US\$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

The Historical Financial Information are presented in US\$, which is the Company’s functional currency. The Group’s major operation is in the Chinese Mainland and the functional currency of those principal operating consolidated entities is Renminbi (“RMB”).

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(x) *Related parties*

- (a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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).
 - (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) *Segment reporting*

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgment and estimates

Note 29(a) and 29(e) contain information about the assumptions and their risk factors relating to measurement of ECL allowance for trade receivables and fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Principal-agent determination

In certain businesses the Group acts as an intermediary between carriers and merchants/corporate users. The Group determines whether it provides the freight transportation services as a principal by directing the carriers to perform on its behalf or it acts as an agent by facilitating the transactions between the carriers and the merchants/corporate users. This assessment determines whether the Group should recognise revenue on a gross or net basis. It also affects how the Group should account for the incentives given to the carriers and the merchants. See Note 2(u) for further details.

(ii) Share-based compensation arrangement and its fair value measurement

The Group has set up share award schemes and granted options, restricted share units and restricted shares to employees and other qualifying participants. Certain share award schemes are determined to be equity-settled while some are cash-settled. For equity-settled share award schemes, the fair value of the options at the grant date, restricted share units and restricted shares are determined by using Binomial model or equity allocation method, and is expected to be expensed over the respective vesting period. Significant estimate on assumptions, including underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors and an independent third-party valuer.

The Group has also authorised the repurchase of share awards from the holders. Judgment is required to determine whether the repurchase establishes “past practice” for which the Group has now created an obligation to settle in cash, and accordingly reclassify all outstanding awards to cash-settled. The Group has determined that no valid expectation for the Company to settle such share-based awards in cash is created, such that all awards remain as equity-settled awards.

(iii) Fair value measurement of redeemable convertible preferred shares

Redeemable convertible preferred shares are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group has used the discounted cash flow (“DCF”) method to determine the underlying equity value and adopted equity allocation model to determine the respective fair values. Key assumptions, such as discount rate and volatility are disclosed in Note 29(e). Considerable judgment is required to interpret market data used in the valuation techniques. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

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(iv) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences carried forward have been recognised, in view of the Group’s assessment based on the probability of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting periods. In determining the recognition and/or carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and requires significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect whether deferred tax assets should be recognised, and if so, the carrying amounts of deferred tax assets to be recognised and hence the profit or loss in future years.

(v) Control assessment over other entities through contractual arrangements or other arrangements

The Group has a number of involvements with other entities through contractual or other arrangements.

In particular, as disclosed in Note 1, the Group exercise control over certain entities and has the right to recognise and receive substantially all the economic benefits of these entities through Contractual Arrangements.

The Group considers that it controls these entities through Contractual Arrangements, notwithstanding the fact that it does not hold any direct interest in these entities, as it has power over the financial and operating policies of these entities and receive substantially all of the benefits from the business activities of these entities through Contractual Arrangements.

Accordingly, these entities have been accounted as subsidiaries during the Track Record Period. However, uncertainties in the present legal system in the Chinese Mainland could limit the Group’s ability to enforce the PRC Contractual Arrangements. Significant judgment is involved in determining whether the Group can exercise control over these entities. Nevertheless, the directors of the Company, after receiving advice from the PRC Legal Advisor, considered that the PRC Contractual Arrangements are in compliance with the applicable laws and regulations and are legal and valid.

(vi) Fair value measurement of financial instruments measured at FVPL

Financial instruments measured at FVPL are not traded in an active market and the respective fair values are determined by using valuation techniques. The Group has used the DCF method or market approach to determine the respective fair values. Key assumptions, such as discount rate and volatility are disclosed in Note 29(e). Considerable judgment is required to interpret market data used in the valuation techniques. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

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(vii) *Warranty provisions*

The Group makes provisions under the warranties it gives on sale of vehicles taking into account the Group’s recent claim experience. As the Group is continually upgrading its product designs and launching new models, it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

4 Revenue

The principal activities of the Group are providing comprehensive services for truck carriers to match with delivery order requests through its online platform.

The amount of each significant category of revenue (excluded value added tax and after deduction of any trade discounts) is as follows:

	Years ended December 31,		
	2023	2024	2025
	US\$’000	US\$’000	US\$’000
Revenue from contracts with customers within the scope of IFRS 15			
— Discount program fees	327,612	332,604	329,072
— Commissions	540,389	616,657	754,880
— Enterprise services fee	314,094	452,706	659,968
— Sales of vehicles and vehicles sales related services* . .	10,214	15,136	79,588
— Other services	78,868	119,800	243,195
	1,271,177	1,536,903	2,066,703
Revenue from other sources			
— Leasing of vehicles	63,036	56,063	72,539
	1,334,213	1,592,966	2,139,242

* The Group’s revenue from sales of vehicles recognised at gross basis was nil, nil and US\$68,910,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

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A breakdown of the Group’s revenue by business line and geographical location of operations is as follows:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
<u>Chinese Mainland</u>			
Freight platform services (<i>note (i)</i>)	778,464	822,989	927,285
Diversified logistics services (<i>note (ii)</i>)	349,869	526,874	839,787
Value-added services (<i>note (iii)</i>)	88,907	93,784	174,861
Total revenue in Chinese Mainland	1,217,240	1,443,647	1,941,933
Total revenue in overseas (<i>note (iv)</i>)	116,973	149,319	197,309
	1,334,213	1,592,966	2,139,242

Notes:

- (i) Freight platform services represent primarily discount program fees received from carriers and commissions charged to carriers.
- (ii) Diversified logistics services represent primarily enterprise services provided to corporate users, less-than-truck-load services and home-moving services.
- (iii) Value-added services consist of the revenues generated from sales of vehicles and other value-added services such as energy services, credit solutions and insurance to carriers.
- (iv) Overseas revenue consists of primarily commission charged to carriers and enterprise services provided to corporate users.

The Group’s customer base is diversified and decentralised and the Group does not have any single customer with whom transactions have exceeded 10% of the Group’s revenue. Details of credit risks are set out in Note 29(a).

Disaggregation of the Group’s revenue from contracts with customers by the timing of revenue recognition is set out below:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Point-in-time	942,032	1,200,353	1,732,413
Over-time	392,181	392,613	406,829
	1,334,213	1,592,966	2,139,242

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Details of contract liabilities are set out in Note 24.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining obligation as all of the Group’s contracts with customers have an original expected duration of one year or less.

5 Segment reporting

(a) Basis for segmentation

The Group’s chief operating decision maker (“CODM”), who has been identified as the Chief Executive Officer, being the Group’s most senior executive management, reviews the Group’s internal reporting when making decisions about allocating resources and assessing performance of the Group as a whole.

The Group manages its businesses from a geographic perspective. In a manner consistent with the way in which information is reported internally to the CODM for the purpose of decision making about resources allocation and performance assessment, the Group has presented two operating segments: Chinese Mainland and Overseas.

The Chinese Mainland operating segment is engaged in provision of platform related services for carriers, enterprise services and other value-added services in the Chinese Mainland. The Overseas operating segment is engaged in the provision of platform related services for carriers outside the Chinese Mainland.

The CODM reviews the internal management reports of each operating segment at least quarterly, and assesses the performance of each segment based on their segment external revenue, cost of revenues and gross profit. Segment profit represents revenue less cost of revenue of a reportable segment.

The Group’s other operating income and expenses, such as other income, selling and marketing expenses (excluding advertisement, marketing and merchant’s incentives), research and development expenses, general and administrative expenses, finance income, finance costs, share of (losses)/profits of equity-accounted investee, gains of financial instruments measured at fair value through profit or loss, changes in fair value of redeemable convertible preferred shares, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, other operating income and expenses is presented.

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(b) Reportable segments

For the year ended December 31, 2023	Chinese Mainland	Overseas	Total
	US\$'000	US\$'000	US\$'000
Revenue	1,217,240	116,973	1,334,213
Cost of revenue	(473,006)	(44,208)	(517,214)
Segment profit	744,234	72,765	816,999
Depreciation and amortisation	(15,165)	(4,452)	(19,617)
Drivers’ fulfilment costs	(269,343)	(15,391)	(284,734)
Costs of vehicles related services	(435)	—	(435)
Advertisement, marketing and merchant’s incentives	(121,263)	(36,197)	(157,460)
Payment processing costs	(22,859)	(3,730)	(26,589)
For the year ended December 31, 2024	Chinese Mainland	Overseas	Total
	US\$'000	US\$'000	US\$'000
Revenue	1,443,647	149,319	1,592,966
Cost of revenue	(624,294)	(47,597)	(671,891)
Segment profit	819,353	101,722	921,075
Depreciation and amortisation	(13,995)	(4,223)	(18,218)
Drivers’ fulfilment costs	(430,027)	(17,828)	(447,855)
Advertisement, marketing and merchant’s incentives	(113,476)	(32,123)	(145,599)
Payment processing costs	(22,856)	(4,606)	(27,462)
For the year ended December 31, 2025	Chinese Mainland	Overseas	Total
	US\$'000	US\$'000	US\$'000
Revenue	1,941,933	197,309	2,139,242
Cost of revenue	(1,000,938)	(57,754)	(1,058,692)
Segment profit	940,995	139,555	1,080,550
Depreciation and amortisation	(9,526)	(4,104)	(13,630)
Drivers’ fulfilment costs	(705,165)	(26,189)	(731,354)
Costs of vehicles related services	(59,309)	—	(59,309)
Advertisement, marketing and merchant’s incentives	(105,806)	(37,968)	(143,774)
Payment processing costs	(25,431)	(5,628)	(31,059)

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Reconciliation of information on reportable segments to the amounts reported in the Historical Financial Information

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
<i>Revenue</i>			
Reportable segment revenue	1,334,213	1,592,966	2,139,242
Elimination of inter-segment revenue	—	—	—
Consolidated revenue	<u>1,334,213</u>	<u>1,592,966</u>	<u>2,139,242</u>
<i>Profit</i>			
Reportable segment profit	816,999	921,075	1,080,550
Elimination of inter-segment profits	—	—	—
Reportable segment profit derived from the Group’s external customers	<u>816,999</u>	<u>921,075</u>	<u>1,080,550</u>
<i>Unallocated income and expenses:</i>			
Other income	46,173	43,051	41,142
Selling and marketing expenses	(179,192)	(162,759)	(159,710)
Research and development expenses	(174,788)	(178,649)	(180,418)
General and administrative expenses	(186,900)	(203,019)	(192,783)
Finance income	48,451	57,114	43,591
Finance costs	(2,774)	(2,558)	(1,595)
Share of (losses)/profits of an equity-accounted investee, net of tax	(741)	(14)	958
Gains of financial instruments measured at fair value through profit or loss	6,356	2,278	16,349
Changes in fair value of redeemable convertible preferred shares	<u>605,801</u>	<u>(46,573)</u>	<u>(98,266)</u>
Profit before taxation	<u>979,385</u>	<u>429,946</u>	<u>549,818</u>

(c) *Geographic location*

In presenting the geographic information, segment revenue has been based on the geographic location of customers as disclosed in Note 4. Segment assets were based on the geographic location of the assets which is set out as follows:

Non-current assets

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Chinese Mainland	147,599	201,402	199,369
Overseas	<u>5,763</u>	<u>8,502</u>	<u>7,669</u>
	<u>153,362</u>	<u>209,904</u>	<u>207,038</u>

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6 Other income

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Other charges to carriers	18,731	21,283	17,925
Government grants	16,232	17,046	18,932
Others	11,210	4,722	4,285
	<u>46,173</u>	<u>43,051</u>	<u>41,142</u>

7 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance (income)/costs

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Finance income			
Interest income	<u>(48,451)</u>	<u>(57,114)</u>	<u>(43,591)</u>
Finance costs			
Interest expense and other finance costs	1,806	1,539	822
Interest on lease liabilities	<u>968</u>	<u>1,019</u>	<u>773</u>
	<u>2,774</u>	<u>2,558</u>	<u>1,595</u>

(b) Staff costs

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Salaries, wages and other benefits	337,547	349,632	349,493
Contributions to defined contribution retirement plan (<i>note</i>)	22,885	24,258	26,020
Equity-settled share-based payment expenses	<u>18,783</u>	<u>18,093</u>	<u>13,376</u>
	<u>379,215</u>	<u>391,983</u>	<u>388,889</u>

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Note: The Chinese Mainland subsidiaries of the Group participate in defined contribution retirement benefit schemes (the “Schemes”) mandated by the Chinese Mainland municipal and provincial government authorities whereby the Chinese Mainland subsidiaries are required to make contributions at certain percentage of the eligible employees’ salaries to the Schemes. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Hong Kong subsidiaries of the Group participate in a Mandatory Provident Fund Scheme (the “MPF Scheme”) operated by an independent service provider under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution retirement scheme with the employer and its employees each contributing to the scheme in accordance with the relevant scheme rules. The MPF Scheme rules provide for voluntary contributions to be made by the employer calculated as a percentage of the employees’ basic salaries.

The Group has no other material obligation for the payment of pension benefits beyond those schemes described above.

(c) *Other items*

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Amortisation cost of intangible assets	229	212	120
Depreciation charge (<i>Note 12</i>)			
— Owned property, plant and equipment	5,638	3,930	4,178
— Right-of-use assets	13,750	14,076	9,332
	<u>19,388</u>	<u>18,006</u>	<u>13,510</u>
[REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]
Auditors’ remuneration	36	50	44
Staff costs	379,215	391,983	388,889
Advertisement, marketing and merchants incentives	157,460	145,599	143,774
Drivers’ fulfilment costs	284,734	447,855	731,354
Research and development expenses*	29,065	29,739	32,990
Payment processing costs	26,589	27,462	31,059
Vehicle rentals	47,423	42,805	58,452
Cost of inventories	4,880	1,947	62,950
Net foreign exchange loss	6,886	1,509	860
Gains of financial instruments measured at fair value through profit or loss	(6,356)	(2,278)	(16,349)

* These amounts exclude staff costs and depreciation charge related to research and development, which are included in the respective total amounts disclosed separately above.

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8 Income taxes

(a) Taxation in the consolidated statements of profit or loss:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Current tax — PRC Enterprise Income Tax (“EIT”)			
Provision for the year	1,927	7,278	61,148
Current tax — Overseas EIT (including Pillar Two income taxes)			
Provision for the year	4,777	8,830	37,171
	6,704	16,108	98,319
Deferred tax			
Origination and reversal of temporary differences (Note 27)	—	(19,796)	4,135
	6,704	(3,688)	102,454

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Chinese Mainland

According to the PRC EIT Law, subsidiaries established in the Chinese Mainland are generally subject to an income tax rate of 25% for the years ended December 31, 2023, 2024 and 2025.

Pursuant to the relevant PRC EIT Law, regulations and implementation guidance notes, a subsidiary of the Group, Shenzhen Yishi Huolala Technology Limited, was granted the High and New Technology Enterprise (“HNTE”) status in 2020, enjoying a reduced income tax rate of 15% for the years ended December 31, 2020, 2021 and 2022. Shenzhen Yishi Huolala Technology Limited successfully renewed its HNTE status in November 2023 and will continue to enjoy a reduced income tax rate at 15% for another three years commencing from January 1, 2023.

According to the PRC EIT Law and its implementation regulations, certain subsidiaries of the Company were qualified as “Small Low-profit Enterprise” and enjoyed a reduced corporate income tax rate of 20% and a 75% deduction of annual assessable profits for the years ended December 31, 2023, 2024 and 2025.

According to the relevant tax rules in the Chinese Mainland, qualified research and development expenses are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development expenses could be deemed as deductible expenses for the years ended December 31, 2023, 2024 and 2025.

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Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the Chinese Mainland. The withholding tax rate may be lowered to a minimum of 5% if there is a tax arrangement between the Chinese Mainland and the jurisdiction of the foreign investors. However, the 5% withholding tax rate does not automatically apply and certain requirements must be satisfied. Deferred tax liabilities have not been recognised in respect of the tax that would be payable on the distribution of the retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group’s Hong Kong subsidiaries are subject to Hong Kong Profits Tax at the rate of 16.5% on their taxable income generated from the operations in Hong Kong. A two-tiered profits tax rates regime was introduced in 2018 where the first HK\$2 million of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the Group to benefit from the progressive rates.

Thailand

The subsidiaries incorporated in Thailand are subject to income tax at the rate of 20% on the estimated assessable profits arising in Thailand during the years ended December 31, 2023, 2024 and 2025.

The Philippines

The subsidiaries incorporated in the Philippines are subject to income tax at the rate of 25% on the estimated assessable profits arising in Philippines during the years ended December 31, 2023, 2024 and 2025.

Malaysia

The subsidiary incorporated in Malaysia is subject to income tax at the rate of 24% on the estimated assessable profits arising in Malaysia during the years ended December 31, 2023, 2024 and 2025.

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(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Profit before taxation	979,385	429,946	549,818
Notional tax expense on profit before taxation, calculated at the applicable rates in the relevant jurisdictions	54,854	67,599	99,108
Additional deduction for research and development costs	(17,709)	(20,906)	(10,879)
Tax effect of unused tax losses not recognised . . .	13,349	21,764	4,285
Tax effect of recognition of previously unused tax losses and temporary differences	–	(19,796)	(14,088)
Utilisation of previously unrecognised tax losses . .	(44,323)	(53,444)	(768)
Tax effect of temporary differences not recognised.	113	878	258
Withholding tax on profits retained by PRC subsidiaries	–	–	24,528
Others	420	217	10
Actual income tax	6,704	(3,688)	102,454

(c) Pillar Two income taxes

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

Effective 1 January 2024, local Pillar Two legislation for domestic minimum top-up tax has been implemented in certain jurisdictions within the Group. From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland. Pillar Two income tax expense has been recognised accordingly.

Other jurisdictions in which the Group operates are in the process of implementing their Pillar Two income tax legislation. Therefore, it is possible that the Group may be subject to additional Pillar Two income tax exposure.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

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9 Directors’ emoluments

Directors’ emoluments during the Track Record Period are as follows:

Year ended December 31, 2023							
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000
Executive directors							
Mr. CHOW, Shing Yuk .	—	306	—	2	308	—	308
Mr. TAM, Matthew Wan Bo	—	306	202	7	515	17	532
Non-executive directors							
Mr. CHANG, David Shui Kei	—	—	—	—	—	—	—
Mr. HUANG, Liming . .	—	—	—	—	—	—	—
Mr. SHEN, Nan Peng (Resigned since February 28, 2023) . .	—	—	—	—	—	—	—
Ms. WANG, Mengqiu (Appointed since March 27, 2023)	—	—	—	—	—	—	—
Mr. GUO, Shanshan (Appointed since March 1, 2023)	—	—	—	—	—	—	—
	—	612	202	9	823	17	840
Year ended December 31, 2024							
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000
Executive directors							
Mr. CHOW, Shing Yuk .	—	308	—	2	310	—	310
Mr. TAM, Matthew Wan Bo	—	307	—	7	314	11	325
Non-executive directors							
Mr. CHANG, David Shui Kei	—	—	—	—	—	—	—
Mr. HUANG, Liming . .	—	—	—	—	—	—	—
Ms. WANG, Mengqiu . .	—	—	—	—	—	—	—
Mr. GUO, Shanshan . . .	—	—	—	—	—	—	—
	—	615	—	9	624	11	635

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Year ended December 31, 2025							
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000
Executive directors							
Mr. CHOW, Shing Yuk .	—	308	—	2	310	—	310
Mr. TAM, Matthew Wan Bo	—	330	222	7	559	5	564
Non-executive directors							
Mr. CHANG, David Shui Kei.	—	—	—	—	—	—	—
Mr. HUANG, Liming . .	—	—	—	—	—	—	—
Ms. WANG, Mengqiu . .	—	—	—	—	—	—	—
Mr. GUO, Shanshan . . .	—	—	—	—	—	—	—
	—	638	222	9	869	5	874

Notes:

- (i) These represent the estimated value of share options, restricted share units and restricted shares granted to the directors under the Group’s share award scheme. The value of these share awards is measured according to the Group’s accounting policies for share-based payment transactions as set out in Note 2(r)(iii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of equity instruments granted, are disclosed in Note 25.

- (ii) During the Track Record Period, no emoluments were paid by the Group to the director as an inducement to join or upon joining the Group or as compensation for loss of office. No director of the Group waived or agreed to waive any emoluments during the Track Record Period.

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10 Individuals with highest emoluments

All five highest paid individuals of Group for the years ended December 31, 2023, 2024 and 2025 are non-directors, the aggregate of the emoluments in respect of these highest paid individuals are as follows:

	Years ended December 31,		
	2023	2024	2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Salaries, allowances and benefits in kind	1,952	2,028	2,269
Retirement scheme contributions	46	59	52
Discretionary bonuses	514	512	503
Share-based payment	2,790	3,528	2,184
Total	<u>5,302</u>	<u>6,127</u>	<u>5,008</u>

The emoluments of these individuals with the highest emoluments are within the following band:

	Years ended December 31,		
	2023	2024	2025
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
HK\$4,000,001 — HK\$4,500,000	1	—	—
HK\$5,000,001 — HK\$5,500,000	—	—	2
HK\$6,000,001 — HK\$6,500,000	1	1	1
HK\$6,500,001 — HK\$7,000,000	—	1	—
HK\$8,000,001 — HK\$8,500,000	1	—	1
HK\$9,000,001 — HK\$9,500,000	—	1	—
HK\$9,500,001 — HK\$10,000,000	—	1	—
HK\$11,000,001 — HK\$11,500,000	1	—	—
HK\$11,500,001 — HK\$12,000,000	1	—	—
HK\$12,500,001 — HK\$13,000,000	—	—	1
HK\$16,000,001 — HK\$16,500,000	—	1	—

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11 Earnings per share

(a) Basic earnings per share

The calculations of basic earnings per share are based on the following data:

	Years ended December 31,		
	2023	2024	2025
Profit for the year attributable to equity shareholders of the Company (US\$’000)	971,861	432,647	446,938
Weighted-average number of shares	84,490,650	84,240,833	84,240,833
Basic earnings per share attributable to equity shareholders of the Company (US\$ per share)	11.50	5.14	5.31

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company and the weighted average number of shares in issue for each year and does not take into account the effect of [REDACTED] detailed in Note 33.

The weighted-average number of shares are calculated as follows:

	Years ended December 31,		
	2023	2024	2025
Issued shares at January 1 for the purposes of basic earnings per share			
— Ordinary shares (<i>Note 28(a)</i>)	53,639,969	52,371,365	52,371,365
— Series A preferred shares to series Pre-B preferred shares (<i>Note 28(a)</i>)	32,500,513	31,869,468	31,869,468
	86,140,482	84,240,833	84,240,833
Effect of shares repurchased	(1,649,832)	—	—
Weighted average number of shares at December 31	<u>84,490,650</u>	<u>84,240,833</u>	<u>84,240,833</u>

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(b) Diluted earnings per share

For the years ended December 31, 2023, 2024 and 2025, the calculation of diluted earnings per share is based on the following data, after adjustment for the effects of all dilutive potential ordinary shares.

	Years ended December 31,		
	2023	2024	2025
Profit for the year attributable to equity shareholders of the Company (diluted) (US\$’000)	361,239	465,803	531,415
Weighted-average number of shares (diluted)	167,810,356	167,280,998	167,694,934
Diluted earnings per share attributable to equity shareholders of the Company (US\$ per share) . .	2.15	2.78	3.17

Profit for the year attributable to equity shareholders of the Company (diluted) is calculated as follows:

	Years ended December 31,		
	2023	2024	2025
	US\$’000	US\$’000	US\$’000
Profit for the year attributable to equity shareholders of the Company	971,861	432,647	446,938
Effect of changes in fair value of redeemable convertible preferred shares of the Company (Note 26(b))	(610,622)	33,156	84,477
Profit for the year attributable to equity shareholders of the Company (diluted)	<u>361,239</u>	<u>465,803</u>	<u>531,415</u>

The weighted-average number of shares (diluted) is calculated as follows:

	Years ended December 31,		
	2023	2024	2025
Weighted average number of shares at December 31	84,490,650	84,240,833	84,240,833
Effect of conversion of redeemable convertible preferred shares (Note 26(b))	73,595,461	73,430,485	73,430,485
Effect of deemed issue of share under share option plans (Note 25(a))	5,779,321	5,637,967	5,678,712
Effect of deemed issue of share under restricted share units scheme (Note 25(b))	1,612,966	1,707,244	2,072,893
Effect of deemed issue of share under restricted shares plan	<u>2,331,958</u>	<u>2,264,469</u>	<u>2,272,011</u>
Weighted average number of shares (diluted) at December 31	<u>167,810,356</u>	<u>167,280,998</u>	<u>167,694,934</u>

Restricted share units and restricted shares granted under share incentive plan of a subsidiary of the Company (Note 25(c)) were excluded from the calculation of diluted earnings per share as their inclusion would have been anti-dilutive.

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12 Property, plant and equipment

	Properties leased for own use	Leasehold improvements	Motor Vehicles	Furniture, fixtures and equipment	Moulds	Construction in progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:							
As at January 1, 2023	37,839	11,507	441	8,443	—	—	58,230
Additions	13,823	1,306	773	953	—	—	16,855
Disposals	(7,910)	(247)	(353)	—	—	—	(8,510)
Exchange adjustments	(489)	(60)	(133)	(260)	—	—	(942)
As at December 31, 2023 and							
January 1, 2024	43,263	12,506	728	9,136	—	—	65,633
Additions	15,682	2,471	138	1,191	—	1,113	20,595
Disposals	(17,446)	(873)	(18)	(320)	—	—	(18,657)
Exchange adjustments	(845)	(507)	(11)	(215)	—	—	(1,578)
As at December 31, 2024 and							
January 1, 2025	40,654	13,597	837	9,792	—	1,113	65,993
Additions	4,917	296	663	2,128	—	12,122	20,126
Transfers from construction in							
progress	—	—	—	2,803	9,532	(12,335)	—
Disposals	(5,812)	(160)	(40)	(451)	—	—	(6,463)
Exchange adjustments	998	389	35	264	144	40	1,870
As at December 31, 2025 . . .	40,757	14,122	1,495	14,536	9,676	940	81,526
Accumulated depreciation:							
As at January 1, 2023	(18,224)	(4,920)	(272)	(4,923)	—	—	(28,339)
Charge for the year	(13,750)	(3,368)	(150)	(2,120)	—	—	(19,388)
Written back on disposals . . .	7,460	116	240	—	—	—	7,816
Exchange adjustments	257	49	61	223	—	—	590
As at December 31, 2023 and							
January 1, 2024	(24,257)	(8,123)	(121)	(6,820)	—	—	(39,321)
Charge for the year	(14,076)	(2,374)	(154)	(1,402)	—	—	(18,006)
Written back on disposals . . .	16,898	473	—	311	—	—	17,682
Exchange adjustments	371	168	(16)	119	—	—	642
As at December 31, 2024 and							
January 1, 2025	(21,064)	(9,856)	(291)	(7,792)	—	—	(39,003)
Charge for the year	(9,332)	(1,912)	(274)	(1,238)	(754)	—	(13,510)
Written back on disposals . . .	3,739	129	20	397	—	—	4,285
Exchange adjustments	(570)	(177)	(12)	(154)	(11)	—	(924)
As at December 31, 2025 . . .	(27,227)	(11,816)	(557)	(8,787)	(765)	—	(49,152)
Net book value:							
As at December 31, 2023 . . .	19,006	4,383	607	2,316	—	—	26,312

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	Properties leased for own use	Leasehold improvements	Motor Vehicles	Furniture, fixtures and equipment	Moulds	Construction in progress	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at December 31, 2024 . . .	19,590	3,741	546	2,000	—	1,113	26,990
As at December 31, 2025 . . .	13,530	2,306	938	5,749	8,911	940	32,374

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Included in “Property, plant and equipment”:			
Properties leased for own use, carried at depreciated cost	19,006	19,590	13,530

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties leased for own use (<i>note</i>)	13,750	14,076	9,332
Interest on lease liabilities	968	1,019	773
Expense related to short-term leases	3,860	1,805	2,126

During the years ended December 31, 2023, 2024 and 2025, additions to right-of-use assets were US\$13,823,000, US\$15,682,000 and US\$4,917,000 respectively. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(f) and 23 respectively.

Note: The Group has obtained the right to use properties as its administrative offices through tenancy agreements. The leases typically run for an initial period of 1 to 3 years. Lease payments are usually increased every 1 to 2 years to reflect market rentals. None of properties leased for own used include an option to renew the lease for an additional period after the end of the contract term.

13 Other non-current assets

Other non-current assets mainly represent prepayments for purchases of property, plant and equipment.

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14 Interest in an equity-accounted investee

On November 1, 2021, the Company entered into an investment agreement with other independent investors to invest in Shanghai Changyi Real Estate Development and Operation Limited (“Shanghai Changyi”), pursuant to which, the Group’s subsidiary acquired 30.3% of equity interest in Shanghai Changyi. Based on the investment agreement, all decisions on activities that may significantly affect the returns of Shanghai Changyi require unanimous consent of all parties, therefore, the Group considered the arrangement to be a joint venture.

During the year ended December 31, 2023, Shanghai Changyi issued shares to other investors, and the Group’s effective interest in Shanghai Changyi had been diluted from 30.3% to 26.4%. Based on the new shareholder agreement signed among all shareholders on April 25, 2023, the Company no longer has joint control over Shanghai Changyi, therefore, the Group reclassified Shanghai Changyi as an associate instead of joint venture from April 25, 2023.

Details of the Group’s interest in Shanghai Changyi, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of an equity-accounted investee	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group’s effective interest	Held by the Company	Held by a subsidiary	
Shanghai Changyi	Incorporate	Chinese Mainland	RMB3,161,000,000/ RMB3,110,424,000	As at December 31, 2023, 2024 and 2025:26.4%	—	As at December 31, 2023, 2024 and 2025:26.4%	Real estate*

* Shanghai Changyi is mainly engaged in the development of real estate. The Group is expected to acquire a property from Shanghai Changyi which the Group will use as its office building.

Shanghai Changyi is an unlisted corporate entity whose quoted market price is not available.

The directors of the Company are of the view that the investment in Shanghai Changyi is not material and summarised financial information of Shanghai Changyi is not disclosed in accordance with the relevant accounting standards.

15 Inventories

The amount represents vehicles held for sale and other supplies held, net of write-down and reversals (if any).

	As at December 31,		
	2023	2024	2025
	US\$’000	US\$’000	US\$’000
Raw materials	—	—	4,812
Finished goods	2,105	3,744	7,727
Goods in transit	—	—	6,967
	<u>2,105</u>	<u>3,744</u>	<u>19,506</u>

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For the years ended December 31, 2023, 2024 and 2025, US\$4,880,000, US\$1,947,000 and US\$62,950,000 were recognised as an expense and included in “cost of revenue”.

16 Financial instruments measured at FVPL

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Financial assets measured at FVPL			
— Wealth management products (<i>note (i)</i>) . . .	145	151	882,320
— Unlisted equity investments	12,562	12,468	11,290
— Unlisted debt investments (<i>note (ii)</i>)	85,742	88,027	69,162
	<u>98,449</u>	<u>100,646</u>	<u>962,772</u>
	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Gains/(losses) of fair value of financial assets measured at FVPL			
— Wealth management products	101	4	7,892
— Unlisted equity investments	1,287	(10)	(1,289)
— Unlisted debt investments (<i>note (ii)</i>)	4,968	2,284	9,746
	<u>6,356</u>	<u>2,278</u>	<u>16,349</u>

Notes:

- (i) As at December 31, 2023, 2024 and 2025, the Group invested in certain wealth management products issued by reputable financial institutions in Chinese Mainland and Hong Kong. The principal amount and expected returns of these wealth management products are not guaranteed, and the contractual terms does not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, the wealth management products were classified as financial assets at FVPL.
- (ii) During the year ended December 31, 2021, the Company subscribed for an interest-bearing lending facility of US\$130 million to XIAOLA Global Holding Limited (“Xiaola”) and its subsidiaries (together “Xiaola Group”) for a term of two years. The lending facility was guaranteed by Xiaola’s shareholders and secured by share charges over all ordinary shares in Xiaola held by these shareholders. The Company measured the drawn loan under the facility at FVPL.

On April 22, 2022, the Group and Xiaola Group replaced the lending facility with a convertible note of RMB1,200 million. Under the terms of the convertible note, the Company was entitled to, by delivery of a conversion notice, convert any or all of the outstanding principal under the convertible loan into the preferred shares of Xiaola before the maturity date of December 31, 2024, with the total equity interests the Company could obtain through conversion not exceeding 51% of Xiaola’s total equity. The convertible note was also measured at fair value through profit or loss.

On December 31, 2024, the Group and Xiaola Group entered into a supplemental agreement pursuant to which the parties to the supplemental agreement agreed to extend the repayment date of the above-mentioned convertible loan to December 31, 2026. Save as aforesaid, all the other material terms and conditions of the convertible loan agreement shall remain in full force and effect.

In May 2025, Xiaola Group repaid the cumulative interest accrued up to December 31, 2024, on the aforementioned convertible loan in the amount of US\$28,092,000.

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17 Finance lease receivables

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Finance lease receivables	21,256	80,619	74,791
Less: unearned finance lease income	(3,204)	(14,214)	(10,982)
Present value of minimum finance lease receivables	<u>18,052</u>	<u>66,405</u>	<u>63,809</u>
Including:			
Current portion	7,267	21,536	22,921
Non-current portion	<u>10,785</u>	<u>44,869</u>	<u>40,888</u>
	<u>18,052</u>	<u>66,405</u>	<u>63,809</u>

The Group entered into finance lease arrangements with individual customers for cargo vans. The term range of finance leases range from 2 to 4 years.

The Group measures loss allowance for finance lease receivables as disclosed in Note 2(h)(i). The ECL is the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The ECL was amounted to US\$1,379,000, US\$2,274,000 and US\$3,135,000 at December 31, 2023, 2024 and 2025 respectively.

18 Trade and other receivables

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Trade receivables, net of loss allowance	66,134	75,186	89,727
Prepayments	19,251	19,693	26,003
Deposits	9,641	10,953	11,216
Other receivables	<u>51,231</u>	<u>58,452</u>	<u>76,198</u>
	<u>146,257</u>	<u>164,284</u>	<u>203,144</u>

Trade receivables are due within 15 to 180 days from the date of billing, depending on the credit worthiness of customers.

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Ageing analysis

As of the end of each of the Track Record Period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Within 3 months (inclusive)	60,785	65,247	75,763
3 months to 6 months (inclusive)	3,370	5,376	9,872
6 months to 1 year (inclusive)	1,793	7,412	5,255
Over 1 year	1,635	1,854	3,586
Less: loss allowance	(1,449)	(4,703)	(4,749)
Trade receivables, net	<u>66,134</u>	<u>75,186</u>	<u>89,727</u>

As at December 31, 2023, 2024 and 2025, except for deposits of US\$1,514,000, US\$1,897,000 and US\$1,286,000 are expected to be recovered after more than one year, all trade and other receivables are expected to be recovered or recognised as expense within one year.

19 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents:

The Group

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Deposits with banks with original maturity within three months	703,917	1,272,048	1,007,504
Cash at bank and on hand	944,400	816,533	777,835
Cash balances with payment platforms (<i>note</i>)	<u>28,316</u>	<u>33,268</u>	<u>36,928</u>
	<u>1,676,633</u>	<u>2,121,849</u>	<u>1,822,267</u>

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The Company

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Deposits with banks with original maturity within three months	476,077	414,447	224,839
Cash at bank and on hand	183,260	14,818	18,235
	<u>659,337</u>	<u>429,265</u>	<u>243,074</u>

Note: Cash balances with payment platforms represents cash balances kept with third party payment platforms, which can be withdrawn on demand.

(b) Deposits with banks

Deposits with banks comprises of fixed deposits with banks with maturities of more than three months at acquisition.

(c) Restricted cash

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Deposits in a designated account	<u>246,048</u>	<u>306,188</u>	<u>413,150</u>

As at December 31, 2023, 2024 and 2025, restricted cash mainly represent deposits placed with a bank in a designated account in relation to the prepayments from platform users.

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(d) Reconciliation of profit before taxation to cash generated from operations:

	Note	Years ended December 31,		
		2023	2024	2025
		US\$'000	US\$'000	US\$'000
Profit before taxation		979,385	429,946	549,818
Adjustments for:				
Finance income	7(a)	(48,451)	(57,114)	(43,591)
Finance costs	7(a)	2,774	2,558	1,595
Amortisation of intangible assets	7(c)	229	212	120
Depreciation of owned property, plant and equipment	7(c)	5,638	3,930	4,178
Depreciation of right-of-use assets	7(c)	13,750	14,076	9,332
Provision for impairment loss on trade and other receivables		1,383	5,793	1,114
Equity-settled share-based payment expenses . .	7(b)	18,783	18,093	13,376
Changes in fair value of redeemable convertible preferred shares	26	(605,801)	46,573	98,266
Gains of financial instruments measured at fair value through profit or loss	7(c)	(6,356)	(2,278)	(16,349)
Net foreign exchange loss	7(c)	6,886	1,509	860
Net (gains)/loss on disposal of subsidiaries . .		(406)	224	1,101
Share of losses/(profits) of an equity- accounted investee, net of tax		741	14	(958)
		368,555	463,536	618,862
Changes in working capital:				
Decrease/(increase) in inventories		1,047	(1,639)	(15,762)
Increase in trade and other receivables		(35,136)	(23,953)	(35,263)
(Increase)/decrease in finance lease receivables		(8,085)	(49,277)	1,787
Increase in trade and other payables		74,095	9,005	107,180
Increase in restricted cash		(42,391)	(17,303)	(106,962)
Increase/(decrease) in contract liabilities		4,310	668	(77)
Cash generated from operations		362,395	381,037	569,765

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(e) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Redeemable convertible preferred shares	Interest- bearing borrowings	Total
	US\$’000	US\$’000	US\$’000	US\$’000
At January 1, 2023	20,886	5,274,050	—	5,294,936
Changes from financing cash flows:				
Payment for repurchase of redeemable convertible preferred shares	—	(72,219)	—	(72,219)
Proceeds from the issuance of redeemable convertible preferred shares	—	77,000	—	77,000
Proceeds from new bank loans	—	—	49,781	49,781
Repayment of bank loans	—	—	(49,781)	(49,781)
Interest and other borrowing costs paid	—	—	(1,692)	(1,692)
Capital element of lease rentals paid . .	(13,857)	—	—	(13,857)
Interest element of lease rentals paid . .	(968)	—	—	(968)
Total changes from financing cash flows	(14,825)	4,781	(1,692)	(11,736)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	13,823	—	—	13,823
Interest expense	968	—	1,806	2,774
Net fair value change	—	(605,801)	—	(605,801)
Adjustment from lease modification . .	(450)	—	—	(450)
Exchange adjustment	(449)	—	(114)	(563)
Total other changes	13,892	(605,801)	1,692	(590,217)
At December 31, 2023	19,953	4,673,030	—	4,692,983

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	Lease liabilities	Redeemable convertible preferred shares	Interest- bearing borrowings	Total
	<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>	<i>US\$’000</i>
At January 1, 2024	19,953	4,673,030	—	4,692,983
Changes from financing cash flows:				
Proceeds from new bank loans	—	—	38,910	38,910
Interest and other borrowing costs paid	—	—	(1,362)	(1,362)
Capital element of lease rentals paid . .	(14,282)	—	—	(14,282)
Interest element of lease rentals paid . .	(1,019)	—	—	(1,019)
Total changes from financing cash flows	(15,301)	—	37,548	22,247
Other changes:				
Increase in lease liabilities from entering into new leases during the year	15,682	—	—	15,682
Interest expense	1,019	—	1,539	2,558
Net fair value change	—	46,573	—	46,573
Adjustment from lease modification . .	(548)	—	—	(548)
Exchange adjustment	(525)	—	(177)	(702)
Total other changes	15,628	46,573	1,362	63,563
At December 31, 2024	20,280	4,719,603	38,910	4,778,793
At January 1, 2025	20,280	4,719,603	38,910	4,778,793
Changes from financing cash flows:				
Proceeds from new bank loans	—	—	43,150	43,150
Repayment of bank loans	—	—	(39,132)	(39,132)
Interest and other borrowing costs paid	—	—	(822)	(822)
Capital element of lease rentals paid . .	(9,930)	—	—	(9,930)
Interest element of lease rentals paid . .	(773)	—	—	(773)
Total changes from financing cash flows	(10,703)	—	3,196	(7,507)

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	Lease liabilities	Redeemable convertible preferred shares	Interest- bearing borrowings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Other changes:				
Increase in lease liabilities from entering into new leases during the year	4,917	—	—	4,917
Interest expense	773	—	822	1,595
Net fair value change	—	98,266	—	98,266
Adjustment from lease modification . . .	(2,073)	—	—	(2,073)
Exchange adjustment	459	—	158	617
Total other changes	4,076	98,266	980	103,322
 At December 31, 2025	 13,653	 4,817,869	 43,086	 4,874,608

(f) Total cash outflow for leases

Amounts included in the statements of cash flows for leases comprise the following:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Within operating cash flows	3,860	1,805	2,126
Within financing cash flows	14,825	15,301	10,703
	18,685	17,106	12,829

20 Amounts due from/to subsidiaries

The Company

The amounts due from subsidiaries were unsecured, interest-free and non-trade in nature. Apart from the amounts due from subsidiaries of US\$451,111,000, US\$1,868,780,000 and US\$2,108,519,000, as at December 31, 2023, 2024 and 2025, which were not expected to be settled within twelve months from the end of the reporting period, the remaining amounts due from subsidiaries as at December 31, 2023, 2024 and 2025, of US\$1,097,858,000, US\$Nil and US\$Nil were repayable on demand.

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Amounts due to subsidiaries of US\$22,249,000, US\$28,439,000 and US\$28,423,000 as at December 31, 2023, 2024 and 2025, were unsecured, interest-free, repayable on demand and non-trade in nature.

21 Trade and other payables

	<i>Notes</i>	As at December 31,		
		2023	2024	2025
		US\$'000	US\$'000	US\$'000
Trade and bills payables		33,197	37,355	106,973
Payables to carriers	(i)	464,741	452,447	472,025
Payables to merchants	(ii)	30,171	38,292	48,423
Accrued staff costs		51,443	49,894	53,451
Current taxation		717	6,011	49,908
Warranty Provision		—	—	1,000
Other payables and accruals		71,189	76,055	90,473
		<u>651,458</u>	<u>660,054</u>	<u>822,253</u>

Notes:

- (i) The balance represents carrier wallet and carrier deposits. Carrier wallet represents amounts collected from merchants on behalf of carriers after deducting commissions for freight matching services plus fulfilment costs payable to carriers in respect of the enterprise services, which can be withdrawn by the carrier on demand. Carrier deposits are collected from carriers upon registration on the Group’s platform, which is deducted upon breach of agreed terms and refunded upon cancellation of registration.
- (ii) The balance represents merchant wallet, which can be recharged and used on the Group’s platform for all services provided. Funds held in merchant wallet have no expiry date and can be refunded upon request.

As of the end of each of the Track Record Period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Within 6 months	32,766	36,885	103,589
6 months to 1 year	431	236	2,955
1 to 2 years	—	234	429
	<u>33,197</u>	<u>37,355</u>	<u>106,973</u>

As at December 31, 2023, 2024 and 2025, all of the trade and other payables are expected to be settled within one year or repayable on demand.

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22 Interest-bearing borrowings

	As at December 31, 2024 US\$'000	As at December 31, 2025 US\$'000
Short-term borrowing:		
— secured and guaranteed	38,910	163
— unsecured and unguaranteed	—	42,638
	38,910	42,801
Long-term borrowing:		
— secured and guaranteed	—	285
	38,910	43,086

All of the above interest-bearing borrowings are carried at amortised cost.

All of the Group’s banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group’s financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Further details of the covenants and the Group’s management of liquidity risk are set out in Note 29(b). As at December 31, 2025, none of the covenants relating to drawn down facilities had been breached.

23 Lease liabilities

The following table shows the remaining contractual maturities of the Group’s lease liabilities at the end of each reporting period:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Present value of the minimum lease payments US\$'000	Total minimum lease payments US\$'000	Present value of the minimum lease payments US\$'000	Total minimum lease payments US\$'000	Present value of the minimum lease payments US\$'000	Total minimum lease payments US\$'000
Within 1 year	10,769	11,436	11,942	12,623	8,351	8,792
After 1 year but within 2 years	6,278	6,554	6,422	6,653	2,506	2,724
After 2 years but within 5 years	2,906	2,948	1,816	1,964	2,796	2,987
After 5 years	—	—	100	100	—	—
	9,184	9,502	8,338	8,717	5,302	5,711
	19,953	20,938	20,280	21,340	13,653	14,503
Less: total future interest expenses		(985)		(1,060)		(850)
Present value of lease liabilities		19,953		20,280		13,653

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24 Contract liabilities

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Receipts in advance for discount program enrolment	16,184	16,852	16,775

The Group recognises discount program fees received prior to the commencement of the validity period of discount benefits as contract liabilities. Contract liabilities are recognised as revenue on a straight-line basis over the validity period of discount benefits.

Movements in Contract Liabilities

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Balance as at January 1, ...	11,874	16,184	16,852
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(11,874)	(16,184)	(16,852)
Increase in contract liabilities as a result of receipts in advance for discount program enrolment	16,184	16,852	16,775
Balance as at December 31	16,184	16,852	16,775

All billings in advance for discount program enrolment are expected to be recognised as revenue within one year.

25 Share-based payment arrangements

(a) Share option plans

The Group has various employee share option plans for its employees and management, which were approved by its board of directors. The purpose of share option plans are to provide incentives and rewards to eligible participants for their contribution or potential contribution to the Group.

Pursuant to the plans, a grantee has the right to subscribe for the ordinary shares at a price determined by management. The options granted can only vest if the service conditions are met. On specific service condition that the employees and key management remain in service and scheduled to be vested over four years from the grant date. 25% of the granted option will be vested at the first anniversary of the vesting commencement date while the remaining 75% of the granted options are vested in 3 years or in 36 equal monthly instalments following the first anniversary date of the vesting commencement date. Options granted typically expire in ten years from the grant date as stated in grant agreements.

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Participation in the plans is at the discretion of the board of directors of the Group and no individual has contractual rights to participate in the plans or receive any guaranteed benefits.

The fair value of the employee share options have been measured using the Binomial Model. Service conditions attached to the arrangements were not taken into account in measuring fair value.

The number and weighted-average exercise price of share options under the share option program were as follows:

	Year ended December 31, 2023		Year ended December 31, 2024		Year ended December 31, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at January 1	2,703,064	1.434	1,957,807	1.889	1,852,146	1.835
Granted during the year	–	NA	–	NA	–	NA
Exercised during the year	(745,257)	0.237	(102,032)	2.821	(41,001)	4.423
Forfeited during the year	–	NA	(3,629)	3.575	(7,056)	3.238
Outstanding at December 31	<u>1,957,807</u>	<u>1.889</u>	<u>1,852,146</u>	<u>1.835</u>	<u>1,804,089</u>	<u>1.771</u>
Weighted average remaining contractual life (Year)		<u>3.09</u>		<u>1.87</u>		<u>0.82</u>

(b) Restricted share units

The Group has a restricted share units scheme for its employees, management and consultants, which were approved by its board of directors. The purpose of the scheme is to provide incentives and rewards to eligible participants for their contribution or potential contribution to continue leading the future success of the Group.

Pursuant to the scheme, a grantee will be entitled to the restricted units of ordinary shares of the Company at nil price. Certain restricted share units are granted with cash alternative which are classified as cash-settled share-based payment arrangement. The restricted share units granted can only vest if the service conditions are met. On specific service condition the employees and key management remain in service and scheduled to be vested over four years from the grant date. 25% of the granted restricted share units will be vested at the first anniversary of the vesting commencement date while the remaining 75% of the granted restricted share units are progressively vested on each anniversary of the vesting commencement date.

Restricted share units with cash alternative are cash-settled and are included in trade and other payables. The balance was amounted to US\$4,197,000, US\$3,967,000 and US\$3,099,000 at December 31, 2023, 2024 and 2025 respectively.

Fair value of restricted share units granted to employees and non-employees are measured using the equity allocation method. Service conditions attached to the arrangements were not taken into account in measuring fair value.

During the years ended December 31, 2023, 2024 and 2025, the Group granted 441,019, 453,593 and 335,679 restricted share units to the employees at the grant date fair value of US\$7.161

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to US\$62.247, US\$7.172 to US\$59.958 and US\$7.296 to US\$54.707 for each restricted share unit, respectively. Subject to the grantees continue to provide services for the Group, 100% of these restricted share units will be vested over 4 years upon fulfilling the service conditions.

Movements in the number of restricted share units granted to employees are as follows:

	Year ended December 31, 2023		Year ended December 31, 2024		Year ended December 31, 2025	
	Number of restricted share units	Weighted average fair value	Number of restricted share units	Weighted average fair value	Number of restricted share units	Weighted average fair value
Unvested at January 1	1,807,299	31.665	1,373,257	35.028	1,124,747	41.496
Granted during the year	441,019	37.697	453,593	49.945	335,679	38.797
Vested during the year	(725,625)	29.232	(625,022)	34.705	(454,845)	41.818
Forfeited during the year	(149,436)	30.373	(77,081)	31.044	(126,382)	35.277
Unvested at December 31	1,373,257	35.028	1,124,747	41.496	879,199	41.193

(c) Share incentive plan of a subsidiary of the Company

LaLa Autobot Company Limited (“LaLa Autobot”), a subsidiary of the Company, has adopted a share incentive plan (“Plan”) in July, 2025. The purpose of the plan is to provide incentives and rewards to eligible participants for their past and future contributions to Lala Autobot.

Pursuant to the Plan, 2,357,787 restricted share units of Lala Autobot (“RSU”) and 141,744 restricted shares of Lala Autobot (“RS”) were granted to employees at a purchase price of nil per RSU and US\$3.94 per RS respectively. The RSUs and RS granted would be vested when certain performance conditions are met.

Fair value of RSU and RS granted are measured using the equity allocation method, and the fair value of RSU and RS at grant date were US\$3.83~US\$3.95 per RSU and US\$3.95 per RS respectively.

26 Preferred shares

Since the date of incorporation, the Company has completed several rounds of financing arrangements by issuing preferred shares (“Preferred Shares”), details of which are included below:

Type	Classification	Date of issuance	Number of preferred shares	Total consideration (US\$'000)
Series A preferred shares	Equity	December 30, 2014	19,041,448	6,150
Series A+ preferred shares	Equity	September 2, 2015	7,173,835	7,089

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Type	Classification	Date of issuance	Number of preferred shares	Total consideration (US\$'000)
Series Pre-B preferred shares . . .	Equity	June 22, 2016	7,212,939	7,775
Series B preferred shares	Financial liability at FVPL	December 16, 2016	10,189,183	26,182
Series C preferred shares	Financial liability at FVPL	September 11, 2017	10,729,341	61,000
Series D preferred shares	Financial liability at FVPL	June 19, 2018	7,713,403	120,000
Series D2 preferred shares	Financial liability at FVPL	November 13, 2018	5,466,537	120,500
Series E preferred shares	Financial liability at FVPL	January 22, 2020	5,434,949	205,000
Series E2 preferred shares	Financial liability at FVPL	September 30, 2020	6,111,192	310,000
Series F preferred shares	Financial liability at FVPL	January 7, January 22, and February 16, 2021	26,583,296	1,568,000
Series G preferred shares	Financial liability at FVPL	November 8, and December 21, 2021, January 25, and February 16, 2022	3,019,887	230,000
				<u>2,661,696</u>

(a) Non-redeemable convertible preferred shares — series A preferred shares to series Pre-B preferred shares

Non-redeemable convertible preferred shares are classified as equity when they have no maturities or any redemption features, but they can be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon the closing of the Qualified [REDACTED] (see definition below), or when agreed by the majority of the holders of each class of the non-redeemable convertible preferred shares. The non-redeemable convertible preferred shares were initially recognised at the amounts equal to the considerations received from the holders for issuance and net of issuance costs.

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(b) Redeemable convertible preferred shares — series B preferred shares to series G preferred shares

Redeemable convertible preferred shares issued by the Company are redeemable on or after the earlier of (i) the 5th anniversary of the date on which latest round of Preferred Shares are first issued by the Company, if the Company has not consummated a Qualified [REDACTED] and (ii) upon occurrence of certain future events. These Preferred Shares can also be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon the closing of the Qualified [REDACTED], or when agreed by 67% of the holders of each class of the redeemable convertible preferred shares (see Note 26(b)(iv) for the redemption features).

The Group does not bifurcate any embedded derivatives from the host instruments and has designated the entire instruments as financial liabilities at FVPL. Any directly attributable transaction costs are recognised in profit or loss. Subsequent to initial recognition, the fair value change of the redeemable convertible preferred shares is recognised in profit or loss except for the portion attributable to credit risk change which shall be recognised in other comprehensive income or loss, if any. The directors of the Company considered that there is no material credit risk change during the Track Record Period.

As the holder of these redeemable convertible preferred shares can exercise the conversion option at any time and the conversion option is not classified as an equity instrument (see Note 26(b)(ii) for the conversion features), the Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the end of the reporting period. Therefore, as at December 31, 2023, 2024 and 2025, all the redeemable convertible preferred shares were classified as current liabilities.

The redemption rights ceased to be exercisable following the first filing of the [REDACTED] by the Company with the Hong Kong Stock Exchange, and shall resume to be exercisable upon the earliest of (i) the withdrawal, rejection or lapse of the [REDACTED] by the Company; or (ii) the failure by the Company to achieve a Qualified [REDACTED] on or before November 8, 2026. All other special rights of the Pre-[REDACTED] Investors granted under the foregoing documents will be automatically terminated upon the completion of a Qualified [REDACTED].

“Qualified [REDACTED]” is defined as a first firm commitment [REDACTED] of the ordinary shares of the Company (or any securities representing ordinary shares) on the New York Stock Exchange, NASDAQ, Hong Kong Stock Exchange or such other internationally reputable stock exchange approved by the Board (including the affirmative votes of at least three Preferred Directors), with an equity valuation (as adjusted for share splits, share dividends, share combinations, recapitalisations and similar events) of the Company immediately prior to such [REDACTED] in excess of certain thresholds.

The key other terms of the Preferred Shares are summarised as follows:

(i) Dividend rights

Prior to the Qualified [REDACTED], the declaration or payment of dividends or any other kinds of profit distributions of the Company and the material change of the dividend policies of the

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Company shall obtain the unanimous approval of the Company's board of directors. No dividends have been declared by the Company up to the date of this report. Holders of the Preferred Shares shall be entitled to the distributions of dividends in the following order, to each of the Series G Preferred Shares, Series F Preferred Shares, Series E2 Preferred Shares, Series E Preferred Shares, Series D2 Preferred Shares, Series D Preferred Shares, Series C Preferred Shares and Series B Preferred Shares.

If legally available funds are not sufficient to pay such dividends in full, then the holders of such Preferred Shares shall be paid on a pro rata basis. Such dividends shall accrue when, as and if declared by unanimous approval of the Company's board of directors. No dividends or other distributions, whether in cash, property or securities shall be paid to the holders of all other lower-ranked classes of shares unless all declared but unpaid dividends on such holders shall have been paid or set aside for payment.

After the dividends have been paid in full to the holders of the Series G Preferred Shares, Series F Preferred Shares, Series E2 Preferred Shares, Series E Preferred Shares, Series D2 Preferred Shares, Series D Preferred Shares, Series C Preferred Shares and Series B Preferred Shares, the Company's board of directors may from time to time by unanimous approval declare dividends and other distributions on the issued and outstanding shares of the Company and authorise payment of the same out of the funds of the Company legally available therefor. Such dividends shall be ratably declared and paid to the holders of Preferred Shares (including Series G Preferred Shares, Series F Preferred Shares, Series E2 Preferred Shares, Series E Preferred Shares, Series D2 Preferred Shares, Series D Preferred Shares, Series C Preferred Shares and Series B Preferred Shares) and the holders of ordinary shares based on the number of ordinary shares held by each such holder as if all the Preferred Shares were converted into the ordinary shares, or on an as-if converted basis.

If the Company shall have declared but have not paid dividends outstanding upon the Preferred Shares, then immediately prior to and in the event of a conversion of Preferred Shares, the Company shall pay off such dividends by cash upon conversion of such Preferred Shares.

(ii) Conversion options

The Preferred Shares shall be converted into ordinary shares at the option of holders at any time, or automatically be converted to ordinary shares at the then effective applicable conversion price upon (a) the closing of the Qualified [REDACTED], or (b) the written notice signed by the holders of 67% of the outstanding Preferred Shares of the same series.

(iii) Liquidation preferences

In a Liquidation Event (see definition below), all assets and funds of the Company legally available for distribution to the shareholders (and, if applicable, any proceeds, whether in cash or properties, resulting from a Liquidation Event) shall, by reason of the shareholders' ownership of the Preferred Shares, be distributed in the following order, to each holder of Series G Preferred Shares, Series F Preferred Shares, Series E2 Preferred Shares, Series E Preferred Shares, Series D2 Preferred Shares, Series D Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series Pre-B Preferred Shares, Series A+ Preferred Shares and Series A Preferred Shares, ordinary shareholders and other equity holders.

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After distribution or payment in full of the Preferred Shares, the remaining assets and funds of the Company legally available for distribution to the shareholders shall be distributed ratably among the holders of ordinary shares in proportion to the number of ordinary shares held by them. For purposes of determining the amount that the holders of ordinary shares are entitled to receive, none of the holders of the Preferred Shares shall be deemed to have converted its Preferred Shares into ordinary shares immediately prior to the Liquidation Event (see definition below).

“Liquidation Event” is defined as any of the following events: (a) the liquidation, dissolution or winding-up of the Company; (b) the acquisition of any group company (whether by a sale of equity, merger or consolidation) in which in excess of 50% of such group company’s voting power outstanding before such transaction is transferred; or (c) the sale or other disposition of all or substantially all of the assets of any group company, or the exclusive licensing of all or substantially all of the intellectual property of any group company.

(iv) Redemption features

At any time and from time to time, on or after the earlier of (i) the 5th anniversary of the date on which latest round of Preferred Shares are first issued by the Company, if the Company has not consummated a Qualified [REDACTED], (ii) the occurrence of any material misrepresentation or inaccuracy in or breach by any warrantor of any of its representations, warranties, agreements, covenants or under the relevant transaction documents or any fraud or wilful misconduct by any warrantor which would have a Material Adverse Effect (see definition below) on the Company and its subsidiaries, or (iii) when the redemption rights of the holders of any other classes of Preferred Shares are being exercised. Holders of the Preferred Shares shall be entitled to the redemption of Preferred Shares in the following order:

The redemption price shall be paid by the Company to the holders of the Preferred Shares in amount equal to 100% of the original purchase price on each Preferred Share, plus: (i) simple annual interest calculated at 8% per annum on the Series B to Series G Preferred Share Purchase Price from the Series B to Series G original issue date and up to and including the date of receipt by the holder thereof of the full redemption amount for such Series B to Series G Preferred Share, plus (ii) all declared but unpaid dividends on such Series B to Series G Preferred Share through the date of receipt by the holder of the full redemption amount thereof.

If the Company fails to redeem any Series B to Series G Preferred Shares on its due date for redemption then, as from such date until the date on which the same are redeemed, the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

If legally available funds and assets are not sufficient to pay such Preferred Share price in full, then (i) the Company’s funds and assets legally available for distribution shall be used to the extent permitted by applicable law to pay such Preferred Share redemption price due on such date ratably in proportion to the full amounts to which the holders of such Preferred Share would otherwise be entitled to, and (ii) the remaining such Preferred Share to be redeemed but with respect to which the such Preferred Share redemption price due and payable has not been paid in full shall be carried forward and redeemed as soon as the Company has funds and assets legally available for distribution to redeem the remaining such Preferred Share.

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“Material Adverse Effect” is defined as a material adverse effect on (a) the business, properties, assets, outlook, operations, results of operations, financial condition, or liabilities of any group company, or (b) the ability of any covenantor to perform its obligations under any relevant transaction documents or the validity or enforceability of any relevant transaction documents against such covenantor.

The movements of the redeemable convertible preferred shares are set out below:

	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series D2 Preferred Shares	Series E Preferred Shares	Series E2 Preferred Shares	Series F Preferred Shares	Series G Preferred Shares	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2023	655,265	730,857	528,409	375,776	380,143	435,949	1,939,958	227,693	5,274,050
Repurchase*	(15,821)	(12,199)	(8,824)	(7,792)	(5,920)	(9,308)	(12,355)	–	(72,219)
Changes in fair value . . .	(80,894)	(89,919)	(64,343)	(45,531)	(44,361)	(49,194)	(212,652)	(23,728)	(610,622)
At December 31, 2023 and January 1, 2024	558,550	628,739	455,242	322,453	329,862	377,447	1,714,951	203,965	4,591,209
Change in fair value	8,493	9,333	5,782	3,779	2,903	2,598	426	(158)	33,156
At December 31, 2024 and January 1, 2025	567,043	638,072	461,024	326,232	332,765	380,045	1,715,377	203,807	4,624,365
Change in fair value	12,789	14,192	9,279	6,238	5,435	5,971	26,806	3,767	84,477
At December 31, 2025 . . .	579,832	652,264	470,303	332,470	338,200	386,016	1,742,183	207,574	4,708,842

* On February 18, 2023, the Company repurchased a total of 1,254,504 redeemable convertible preferred shares from certain Pre-[REDACTED] Investors (the “Share Repurchase”). The repurchase price of the Share Repurchase was determined after arm’s length negotiations among the parties taking into account the relevant shareholders’ assessment of the operating results of the Company and the status of the business at the relevant time.

(c) Redeemable convertible preferred shares issued by a subsidiary of the Company

LaLa Autobot issued 21,038,251 preferred shares (the “LaLa Autobot Preferred Shares”) to third party investors at a price of USD3.66 per share in May 2023. The consideration of USD77,000,000 was fully received by LaLa Autobot by June 23, 2023.

The key terms of the LaLa Autobot Preferred Shares are summarised as follows:

(i) Dividend rights

Each shareholder of LaLa Autobot shall be entitled to receive dividends for each of the LaLa Autobot Preferred Shares held by such holder, payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the board of directors of LaLa Autobot, and all declared but unpaid dividends shall be cumulative.

(ii) Conversion option

The LaLa Autobot Preferred Shares shall automatically be converted, based on the then-effective conversion price, without the payment of any additional consideration, into fully-paid and non-assessable ordinary shares of LaLa Autobot upon the closing of a Qualified [REDACTED] (see definition below) of LaLa Autobot.

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Also, at the option of the holders, the LaLa Autobot Preferred Shares can be converted into fully-paid, non-assessable ordinary shares of LaLa Autobot on the date specified on the written request with respect to such conversion.

“Qualified [REDACTED]” for LaLa Autobot means a firm commitment [REDACTED] of the Ordinary Shares of the LaLa Autobot in the United States on the New York Stock Exchange or the Nasdaq Global Market pursuant to an effective Registration Statement under the United States Securities Act of 1933, as amended, or on Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, or another internationally recognized stock exchange approved in writing by the Board of Directors, in any case, with a required per [REDACTED] price, with gross [REDACTED] to LaLa Autobot in excess of certain target.

(iii) Liquidation preferences

In any liquidation, dissolution or winding-up of LaLa Autobot, or in Deemed Liquidation Event (see definition below), whether voluntary or involuntary, all assets and funds of the LaLa Autobot legally available for distribution to the shareholders of LaLa Autobot shall be distributed in the following order and manner.

First, the holders of the LaLa Autobot Preferred Shares shall be entitled to receive for each LaLa Autobot Preferred Shares held by it, prior and in preference to any distribution of any of the assets or funds of LaLa Autobot to the holders of any other class or series of shares by reason of their ownership of such shares, an amount being higher of, a) sum of 100% of the issue price of the LaLa Autobot Preferred Shares, and an amount of cash per share sufficient to provide such holders of the LaLa Autobot Preferred Shares with an annual simple interest rate 10%, or b) the fair market value of each LaLa Autobot Preferred Shares as of the date of full payment.

If the assets and funds thus distributed among the LaLa Autobot Preferred Shareholders shall be insufficient to permit the payment to such holders of the full LaLa Autobot Preference Amount, then the entire assets and funds of LaLa Autobot legally available for distribution shall be distributed ratably among the LaLa Autobot Preferred Shareholders in proportion to the aggregate LaLa Autobot Preference Amount each such LaLa Autobot Preferred Shareholder is otherwise entitled to receive.

After distribution or payment in full of the LaLa Autobot Preferred Shares, the remaining assets and funds of LaLa Autobot legally available for distribution to the shareholders of LaLa Autobot shall be distributed ratably among the holders of ordinary shares in proportion to the number of ordinary shares held by them.

“Deemed Liquidation Event” is defined as any of the following events: (a) any of the Trade Sale; (b) any liquidation of any key subsidiary that is duly approved; or (c) any liquidation, dissolution or winding up of any key subsidiary under applicable Laws.

(iv) Redemption features

Upon written notice of the majority of the LaLa Autobot Preferred Shareholders (the “Redemption Requestor”), LaLa Autobot shall redeem all or a portion of the preferred shares upon

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occurrence of any of certain specified events, including: 1) its failure to consummate a Qualified [REDACTED] (see definition above) within five years from the date of closing, 2) the production capacity for its certain product failing to reach certain targets for the year of 2025, and 3) any Material Adverse Effect for LaLa Autobot (see definition below), or any events that have had or could reasonably be expected to have material adverse effect on the consummation of a Qualified [REDACTED] of LaLa Autobot or incur material losses by any of the investors.

The redemption price shall be the higher of the following:

- (a) sum of 100% of the LaLa Autobot Preferred Shares issue price, and an amount of cash per share sufficient to provide such holder with an annual simple interest rate of 10%, plus any declared but unpaid dividends on the LaLa Autobot Preferred Shares; or
- (b) the fair market value of each LaLa Autobot Preferred Shares as of a date no later than forty-five days of the redemption notice date.

“Material Adverse Effect for LaLa Autobot” is defined as a material adverse effect on (a) the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets or liabilities of LaLa Autobot, or (b) the ability of any covenantor to perform its obligations under any relevant transaction documents or the validity or enforceability of any relevant transaction documents against such covenantor.

Based on the features above, the Group has designated the above LaLa Autobot Preferred Shares as financial liabilities at FVPL. As the holders of the LaLa Autobot Preferred Shares can exercise the conversion option at any time and the conversion option is not classified as an equity instrument (see Note 26(c)(ii) for the conversion features), the Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the end of the reporting period. Therefore, as at December 31, 2023, 2024 and 2025, the LaLa Autobot Preferred Shares were classified as current liabilities.

The movements of the LaLa Autobot Preferred Shares are set out as below:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
At January 1	–	81,821	95,238
Issue	77,000	–	–
Changes in fair value	4,821	13,417	13,789
At December 31	<u>81,821</u>	<u>95,238</u>	<u>109,027</u>

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27 Income tax in the consolidated statements of financial position

(a) Current taxation in the consolidated statements of financial position represents:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Current tax assets:			
PRC EIT recoverable	–	151	325
Overseas EIT recoverable	1,929	333	1,901
	<u>1,929</u>	<u>484</u>	<u>2,226</u>
Current tax liabilities:			
PRC EIT payable	(717)	(4,394)	(47,781)
Overseas EIT payable	–	(1,617)	(2,127)
	<u>(717)</u>	<u>(6,011)</u>	<u>(49,908)</u>

(b) Deferred tax assets recognised

Movement of each component of deferred tax assets

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	Tax losses carried forward	Revaluation of unlisted debt investments	Total
	US\$'000	US\$'000	US\$'000
At 1 January 2023, 31 December 2023 and 1 January 2024	–	–	–
Credited to profit or loss	19,796	–	19,796
Exchange adjustments	(198)	–	(198)
At 31 December 2024 and 1 January 2025	19,598	–	19,598
(Charged)/credited to profit or loss	(19,746)	15,611	(4,135)
Exchange adjustments	148	–	148
At 31 December 2025	<u>–</u>	<u>15,611</u>	<u>15,611</u>

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(c) *Deferred tax assets not recognised*

As at December 31, 2023, 2024 and 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses of US\$842,921,000, US\$425,767,000 and US\$342,780,000 or deductible temporary differences of US\$113,000, US\$878,000 and US\$8,733,000 respectively, as it was not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The cumulative tax losses of US\$545,597,000, US\$154,648,000 and US\$99,477,000 will expire within 3 to 10 years and the deductible temporary differences of US\$113,000, US\$878,000 and US\$8,289,000 will expire in 5 years under the current tax legislation respectively. The remaining cumulative tax losses of US\$297,324,000, US\$271,119,000 and US\$243,303,000 respectively will not expire under current tax legislation.

28 Capital, reserves and dividends

(a) *Share capital and share premium*

	Year ended December 31, 2023		Year ended December 31, 2024		Year ended December 31, 2025	
	<i>Number of shares</i>	<i>US\$'000</i>	<i>Number of shares</i>	<i>US\$'000</i>	<i>Number of shares</i>	<i>US\$'000</i>
Ordinary shares of US\$0.001 each, issued and fully paid						
At January 1	53,639,969	53	52,371,365	52	52,371,365	52
Repurchases and cancel of ordinary shares* . . .	(1,268,604)	(1)	–	–	–	–
At December 31	52,371,365	52	52,371,365	52	52,371,365	52
Non-redeemable convertible preferred shares at par value of US\$0.001 each, issued and fully paid						
At January 1	32,500,513	33	31,869,468	32	31,869,468	32
Repurchases and cancel of non-redeemable convertible preferred shares*	(631,045)	(1)	–	–	–	–
At December 31	31,869,468	32	31,869,468	32	31,869,468	32
At December 31	84,240,833	84	84,240,833	84	84,240,833	84

* In February 2023, the Company repurchased and cancelled a total of 1,268,604 ordinary shares and 631,045 non-redeemable convertible preferred shares from certain directors and Pre-[REDACTED] Investors. The repurchase price of US\$109,358,000 for the Share Repurchase was determined after arm’s length negotiations among the parties taking into account the relevant shareholders’ assessment of the operating results of the Company and the status of the business at the relevant time. The excess of the Share Repurchase consideration over the par value was debited to accumulated losses.

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Holders of the Company’s shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. The aggregate par value of ordinary shares and non-redeemable convertible preferred shares outstanding was recognised as share capital of the Company. The excess of capital injections made by the equity shareholders over the par value was credited to the share premium.

(b) Reserves

(i) Other reserves

Other reserve comprises the excess of consideration for repurchasing the convertible non-redeemable preferred shares (see Note 26(a)) and the equity consideration for acquisition of non-controlling interests.

(ii) Share-based payment reserve

The share-based payment reserve comprises the Company’s equity settled share-based payments (see Note 25).

(iii) Exchange reserve

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than US\$ as well as the exchange differences arising from net investment in foreign operations.

(iv) Statutory reserve

Pursuant to the Articles of Association of the Group’s Chinese Mainland companies and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the Chinese Mainland until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Chinese Mainland companies provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(c) Dividends

No dividends have been declared or paid by the Company or the companies comprising the Group to its equity shareholders during the years ended December 31, 2023, 2024 and 2025.

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(d) Capital management

The Group’s primary objective when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

29 Financial risk management and fair values measurement of financial instruments

Exposure to credit risk, liquidity risk, interest rate risk, currency risk and fair value measurement arises in the normal course of the Group’s business. The Group’s exposure to these risks and the financial risk management policies and practice used by the Group to manage these risks are described below.

(a) Credit risk

Financial instruments that potentially subject the Group to significant concentration of credit risk consist primarily of cash and cash equivalents (see Note 19).

As of December 31, 2023, 2024 and 2025, the majority of the Group’s cash and cash equivalents were held at reputable financial institutions with high-credit ratings. In the event of bankruptcy of one of these financial institutions, the Group may not be able to claim its cash and cash equivalents back in full. The Group continues to monitor the financial strength of the financial institutions. There has been no recent history of default in relation to these financial institutions.

Receivables from online payment platforms are derived from transactions on Group’s technology-empowered platforms. The risk is mitigated by credit evaluations the Group performs on the selected online payment platforms that are highly reputable and market leaders. There has been no default of payments from these online payment platforms.

The Group measures loss allowances for trade receivables and other receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The expected credit loss rates for these assets were 2.14%, 5.38% and 5.37% for the years ended December 31, 2023, 2024 and 2025 respectively.

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(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Management is responsible for the Group’s cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. Management performs this by monitoring rolling forecasts of the Group’s liquidity reserve and cash and cash equivalents on the basis of expected cash flows.

The Group’s policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities of the Group’s financial liabilities at the end of each reporting period, which are based on the contractual undiscounted cash flows and the earliest date the Group can be required to pay:

As at December 31, 2023 contractual undiscounted cash outflow					Carrying amounts in the consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
	US\$’000	US\$’000	US\$’000	US\$’000	US\$’000
Trade and other payables	651,458	—	—	651,458	651,458
Lease liabilities	11,436	6,554	2,948	20,938	19,953
Redeemable convertible preferred shares	3,406,570	—	—	3,406,570	4,673,030
	<u>4,069,464</u>	<u>6,554</u>	<u>2,948</u>	<u>4,078,966</u>	<u>5,344,441</u>

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As at December 31, 2024					
contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amounts in the consolidated statements of financial position
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables	660,054	—	—	660,054	660,054
Interest-bearing borrowings	39,003	—	—	39,003	38,910
Lease liabilities	12,623	6,653	1,964	21,240	20,280
Redeemable convertible preferred shares	3,632,839	—	—	3,632,839	4,719,603
	<u>4,344,519</u>	<u>6,653</u>	<u>1,964</u>	<u>4,353,136</u>	<u>5,438,847</u>
As at December 31, 2025					
contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amounts in the consolidated statements of financial position
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables	822,253	—	—	822,253	822,253
Interest-bearing borrowings	42,923	170	124	43,217	43,086
Lease liabilities	8,792	2,724	2,987	14,503	13,653
Redeemable convertible preferred shares	3,860,533	—	—	3,860,533	4,817,869
	<u>4,734,501</u>	<u>2,894</u>	<u>3,111</u>	<u>4,740,506</u>	<u>5,696,861</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s interest rate risk arises primarily from deposits with banks, restricted cash, cash at banks, interest-bearing borrowings and lease liabilities. Interest-bearing financial instruments at variable rates expose the Group to cash flow interest rate risk. The Group’s interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group’s deposits with banks, restricted cash, cash at banks, interest-bearing borrowings and lease liabilities at the end of reporting period.

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		As at December 31,		
	Note	2023	2024	2025
		US\$'000	US\$'000	US\$'000
<i>Fixed rate instruments</i>				
Lease liabilities	23	(19,953)	(20,280)	(13,653)
Interest-bearing borrowings	22	—	(38,910)	(43,086)
Deposits with banks	19(b)	212,244	138,519	174,546
Deposits with banks with original maturity within three months	19(a)	703,917	1,272,048	1,007,504
		896,208	1,351,377	1,125,311
<i>Variable rate instruments</i>				
Restricted cash	19(c)	246,048	306,188	413,150
Cash balances with payment platforms	19(a)	28,316	33,268	36,928
Cash at bank and on hand	19(a)	944,400	816,533	777,835
		1,218,764	1,155,989	1,227,913

(ii) Sensitivity analysis

At December 31, 2023, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group’s profit by approximately US\$12,190,000, US\$11,560,000 and US\$9,970,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group’s profit for the year (and accumulated losses) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group’s profit for the year (and accumulated losses) is estimated as an annualised (pro-rata as required) impact on interest expense or income of such a change in interest rates.

(d) Currency risk

The Group is exposed to currency risk primarily through transactions or recognised monetary assets and liabilities that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The Group’s transactions in the Chinese Mainland are mainly denominated in RMB. The Group’s subsidiaries in other geographical locations normally adopt the local currency as functional currency and normally conduct transactions in local currency. As a result, the directors do not expect that there was any significant foreign exchange exposure which may arise currency risk to the Group for the years ended December 31, 2023, 2024 and 2025.

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(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of each reporting period on a recurring basis, categorised into three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at December 31, 2023	Fair value measurements at December 31, 2023 categorised into Level 2	Fair value measurements at December 31, 2023 categorised into Level 3
	US\$'000	US\$'000	US\$'000
Recurring fair value measurements			
<i>Assets:</i>			
Wealth management products	145	145	—
Unlisted equity investment	12,562	—	12,562
Unlisted debt investments	85,742	—	85,742
	<u>98,449</u>	<u>145</u>	<u>98,304</u>
<i>Liabilities:</i>			
Redeemable convertible preferred shares	<u>4,673,030</u>	<u>—</u>	<u>4,673,030</u>

	Fair value at December 31, 2024	Fair value measurements at December 31, 2024 categorised into Level 2	Fair value measurements at December 31, 2024 categorised into Level 3
	US\$'000	US\$'000	US\$'000
Recurring fair value measurements			
<i>Assets:</i>			
Wealth management products	151	151	—

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	Fair value measurements at December 31, 2024	Fair value measurements at December 31, 2024 categorised into Level 2	Fair value measurements at December 31, 2024 categorised into Level 3
	US\$'000	US\$'000	US\$'000
Unlisted equity investment	12,468	—	12,468
Unlisted debt investments	88,027	—	88,027
	<u>100,646</u>	<u>151</u>	<u>100,495</u>

Liabilities:

Redeemable convertible preferred shares	<u>4,719,603</u>	<u>—</u>	<u>4,719,603</u>
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	Fair value measurements at December 31, 2025	Fair value measurements at December 31, 2025 categorised into Level 2	Fair value measurements at December 31, 2025 categorised into Level 3
	US\$'000	US\$'000	US\$'000

Recurring fair value measurements

Assets:

Wealth management products	882,320	882,320	—
Unlisted equity investment	11,290	—	11,290
Unlisted debt investments	69,162	—	69,162
	<u>962,772</u>	<u>882,320</u>	<u>80,452</u>

Liabilities:

Redeemable convertible preferred shares	<u>4,817,869</u>	<u>—</u>	<u>4,817,869</u>
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During the years ended December 31, 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

Valuation method used for wealth management products

The fair value of wealth management products are measured at fair values in the consolidated statements of financial position as of December 31, 2023, 2024 and 2025. The Group determines the fair value of wealth management products by using the DCF models. Future cash flows are estimated based on contractual terms of the wealth management products and discounted at a rate that reflects the credit risk of counterparties.

Valuation techniques and inputs used in Level 3 fair value measurements

Valuation method used for unlisted equity investments

The fair value of unlisted equity investments is approximated using the market approach, which is based on either the equity investments’ recent transaction price or a comparable companies analysis valuation.

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Valuation method used for the unlisted debt investments

The Group applied the DCF method to determine the fair value of the unlisted debt investments with the assistance of an independent third-party valuation firm. Key assumptions are set out below:

	As at December 31,		
	2023	2024	2025
Discount rate	15.13%	8.78%	18.38%

If the Company’s discount rate applied in the valuation had been 1% lower or higher than management’s estimation as at December 31, 2023, 2024 and 2025, the fair value of the unlisted debt investments would increase/(decrease) by the amounts listed in table below:

	As at December 31,		
	2023	2024	2025
	US\$’000	US\$’000	US\$’000
Discount rate decrease 1%	751	1,531	589
Discount rate increase 1%	(738)	(1,468)	(579)

Valuation method used for redeemable convertible preferred shares issued by the Company

The Group applied the DCF method to determine the underlying equity value of the Company and adopted the Black-Scholes model and equity allocation model to determine the fair value of the redeemable convertible preferred shares. Key assumptions are set out below:

	As at December 31,		
	2023	2024	2025
Discount rate	18.00%	18.00%	18.00%
Volatility	44.45%	37.01%	33.74%

If the Company’s discount rate applied in the valuation had been 1% lower or higher than management’s estimation as at December 31, 2023, 2024 and 2025, the carrying amounts of the redeemable convertible preferred shares would increase/(decrease) by the amounts listed in table below:

	As at December 31,		
	2023	2024	2025
	US\$’000	US\$’000	US\$’000
Discount rate decrease 1%	247,449	229,041	200,287
Discount rate increase 1%	(216,104)	(201,315)	(176,150)

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If the Company’s volatility applied in the valuation had been 1% lower or higher than management’s estimation as at December 31, 2023, 2024 and 2025, the carrying amounts of the FVPL liabilities would increase/(decrease) by the amounts listed in table below:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Expected volatility increase 1%	1,288	1,857	1,437
Expected volatility decrease 1%	(1,364)	(1,888)	(1,430)

Valuation method used for redeemable convertible preferred shares issued by a subsidiary of the Company

The Group applied the DCF method to determine the principal and interest fair value of the redeemable convertible preferred shares issued by a subsidiary of the Company under redemption scenario. Key assumption is set out below:

	As at December 31,		
	2023	2024	2025
Discount rate	8.13%	5.83%	5.59%

If the Company’s discount rate applied in the valuation had been 1% lower or higher than management’s estimation as at December 31, 2023, 2024 and 2025, the carrying amounts of the redeemable convertible preferred shares issued by a subsidiary of the Company would increase/(decrease) by the amounts listed in table below:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Discount rate decrease 1%	3,422	3,131	2,350
Discount rate increase 1%	(3,255)	(3,004)	(2,275)

Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group’s other financial instruments carried at cost or amortised cost are not materially different from their fair values as at December 31, 2023, 2024 and 2025.

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30 Commitment and contingencies

(a) *Commitment*

Commitment outstanding at the end of the reporting periods not provided for in the Historical Financial Information was as follow:

	As at December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Contracted for acquisition of property, plant and equipment	—	6,620	—
Commitment to investment in an equity-accounted investee	1,891	1,864	1,906

(b) *Legal proceedings*

As uncertainties exist with respect to the interpretation and implementation of the newly enacted laws and regulatory guidance, the Group may from time to time be involved in legal proceedings, claims, regulatory inquiries, and governmental investigations in the ordinary course of business, including lawsuits from carriers, merchants, or third parties alleging, among other things, various wage and expense-related claims, violations of laws, rules or policies, that such rules or policies violate applicable law, or that the Company has not acted in conformity with such rules or policies.

The Group is currently not a party to any material legal and administrative proceedings.

31 Material related party transactions

(a) *Key management personnel remuneration*

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company’s directors.

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in Note 9, and certain of the highest paid employees as disclosed in Note 10, is as follows:

	Years ended December 31,		
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Salaries, allowances and benefits in kind	3,504	3,858	3,878
Retirement scheme contributions	120	126	125
Discretionary bonuses	923	826	854
Equity-settled share-based payments	3,262	4,467	3,021
	7,809	9,277	7,878

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Executive officers also participate in the Group’s share-based payment arrangements (see Note 25).

Total above remuneration to key management personnel is included in “staff costs” (Note 7(b)).

(b) Names and relationships of the related parties that had material transactions and/or material balances with the Group for the years ended December 31, 2023, 2024 and 2025

Names of related parties	Nature of relationship
Mr. CHOW, Shing Yuk	Chief Executive Officer, Chairman of the Board of Director, Executive Director, One of Controlling Shareholders
Mr. TAM, Matthew Wan Bo	Executive Director, Chief Operating Officer, One of Controlling Shareholders

(c) Other material related party transactions

Other than the key management personnel remuneration, as mentioned in Note 31(a), the Company repurchased ordinary shares from certain directors in February 2023, of which, 1,141,552 and 54,537 ordinary shares were repurchased from Mr. Chow, Shing Yuk and Mr. Tam, Matthew Wan Bo for a total consideration of US\$65,716,299 and US\$3,139,571 respectively.

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for accounting period beginning on January 1, 2025

Up to date of issue of this report, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	January 1, 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027

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IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

The Group is in the process of making an assessment of what the impact of other developments is expected to be in the initial application. So far it has concluded that, except for IFRS 18 as mentioned above, the adoption of these developments is unlikely to have a significant impact on the Historical Financial Information.

33 Subsequent Events

An extraordinary general meeting of the Company held on 23 March 2026 which approved the extension of redemption features for series B to series G investors from the earlier of i) the 5th anniversary of the date on which latest round of preferred shares are first issued by the Company (“Preferred Share Issue Date”), if the Company has not consummated a Qualified [REDACTED] and (ii) upon occurrence of certain future events, to earlier of (i) the 8th anniversary of the Preferred Share Issue Date (which shall be subject to an automatic two-year extension at the eighth (8th) anniversary of the latest round of preferred shares are first issued by the Company, unless such extension is objected by the board of directors of the Company no later than 4 months before the 8th anniversary of the Preferred Share Issue Date, if the Company has not consummated a Qualified [REDACTED], and (ii) upon occurrence of certain future events.

As approved by the Company’s shareholders’ written resolutions passed on [REDACTED], subject to the [REDACTED] becoming unconditional and immediately before completion of the [REDACTED], each share in the Company’s issued and unissued share capital with a par value of US\$[REDACTED] each be subdivided into [REDACTED] of the corresponding class with a par value of US\$[REDACTED] each.

SUBSEQUENT FINANCIAL STATEMENTS

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