The following is the text of a report set out on pages I-1 to I-[91], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI KEYING E-COMMERCE CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Shanghai Keying E-commerce Co., Ltd.* (上海凱詣電子商務股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-[91], which comprises the consolidated statements of financial position of the Group as of 31 December 2023, 2024 and 2025, the statements of financial position of the Company as of 31 December 2023, 2024 and 2025, and 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 of the Group for each of the three years ended 31 December 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-[91] 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 [REDACTED] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 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.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 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 of the Company, 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.

* *English name is for identification purpose*

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as of 31 December 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 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 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 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of 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, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board ("Underlying Financial Statements").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	5	1,722,898	1,698,554	1,757,210
Cost of sales		(1,328,139)	(1,328,401)	(1,370,274)
Gross profit		394,759	370,153	386,936
Other income	6	21,475	15,153	13,559
Impairment losses under expected credit loss ("ECL") model, net of reversal	7	(967)	(169)	927
Other gains and losses	8	2,970	2,088	2,401
Selling and marketing expenses		(227,977)	(219,042)	(228,138)
Administrative expenses		(75,413)	(70,557)	(64,725)
Research and development expenses		(14,360)	(11,250)	(11,413)
Share of results of associates		504	(432)	(290)
[REDACTED]		—	—	[REDACTED]
Finance costs	9	(9,774)	(7,534)	(6,839)
Profit before tax	10	91,217	78,410	79,011
Income tax expense	11	(23,627)	(17,976)	(18,151)
Profit for the year		67,590	60,434	60,860
Other comprehensive income (expense) for the year				
Item that will not be reclassified to profit or loss:				
Fair value changes on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		384	14	(535)
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations		(103)	(495)	(857)
Other comprehensive income (expense) for the year, net of income tax		281	(481)	(1,392)
Total comprehensive income for the year		67,871	59,953	59,468

		Year ended 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to:				
Owners of the Company		67,498	59,584	60,740
Non-controlling interests		92	850	120
		67,590	60,434	60,860
Total comprehensive income for the year attributable to:				
Owners of the Company		67,756	59,126	59,313
Non-controlling interests		115	827	155
		67,871	59,953	59,468
Earnings per share				
- Basic (RMB)	14	0.68	0.62	0.64

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property and equipment	15	2,277	2,171	2,292
Right-of-use assets	16	32,755	14,312	14,015
Investment properties	17	15,130	14,768	14,406
Intangible assets	18	442	375	308
Interests in associates	19	8,357	8,596	8,306
Equity instruments at FVTOCI	24	1,782	1,800	—
Other non-current assets	22	3,921	3,078	2,892
Deferred tax assets	20	6,191	7,531	5,078
		70,855	52,631	47,297
CURRENT ASSETS				
Inventories	21	469,958	450,982	413,877
Trade and other receivables	22	366,546	443,865	428,440
Tax recoverable		1,568	2,880	3,291
Financial assets at fair value through profit or loss ("FVTPL")	23	116,510	152,700	149,052
Time deposits	25	—	14,377	21,086
Restricted bank deposits	25	4,157	7,818	8,827
Cash and cash equivalents	25	286,747	228,756	248,915
		1,245,486	1,301,378	1,273,488
CURRENT LIABILITIES				
Trade, bills and other payables	26	252,528	315,887	257,820
Tax liabilities		15,553	12,876	11,456
Bank borrowings	27	189,933	177,977	179,592
Lease liabilities	28	21,243	9,546	8,631
Contract liabilities	29	24,715	18,704	22,548
		503,972	534,990	480,047
NET CURRENT ASSETS		741,514	766,388	793,441
TOTAL ASSETS LESS CURRENT LIABILITIES		812,369	819,019	840,738

	Notes	At 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Deferred tax liabilities	20	195	212	5
Lease liabilities	28	12,219	5,360	6,787
		12,414	5,572	6,792
NET ASSETS		799,955	813,447	833,946
CAPITAL AND RESERVES				
Share capital	30	96,810	94,248	94,248
Reserves		695,962	711,189	732,123
Equity attributable to owners of the Company		792,772	805,437	826,371
Non-controlling interests		7,183	8,010	7,575
TOTAL EQUITY		799,955	813,447	833,946

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property and equipment	15	914	1,473	1,479
Right-of-use assets	16	22,390	9,811	8,499
Investment properties	17	15,130	14,768	14,406
Intangible assets	18	442	375	308
Investment in subsidiaries	37	99,184	99,184	101,254
Interests in associates	19	7,703	7,066	7,077
Other non-current assets	22	2,125	1,411	1,279
Deferred tax assets	20	3,017	2,572	1,427
		150,905	136,660	135,729
CURRENT ASSETS				
Inventories	21	256,925	245,097	215,017
Trade and other receivables	22	744,211	733,962	714,400
Financial assets at FVTPL	23	77,100	68,100	77,623
Restricted bank deposits	25	4,061	7,580	7,802
Cash and cash equivalents	25	95,958	55,937	52,454
		1,178,255	1,110,676	1,067,296
CURRENT LIABILITIES				
Trade, bills and other payables	26	406,998	367,342	348,583
Tax liabilities		3,228	5,373	3,476
Bank borrowings	27	179,933	166,477	159,592
Lease liabilities	28	15,665	6,585	6,010
Contract liabilities	29	19,066	16,323	10,686
		624,890	562,100	528,347
NET CURRENT ASSETS		553,365	548,576	538,949
TOTAL ASSETS LESS CURRENT LIABILITIES		704,270	685,236	674,678

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Lease liabilities	28	7,175	3,788	3,828
		7,175	3,788	3,828
NET ASSETS		697,095	681,448	670,850
CAPITAL AND RESERVES				
Share capital	30	96,810	94,248	94,248
Reserves	39	600,285	587,200	576,602
TOTAL EQUITY		697,095	681,448	670,850

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company								
	Share capital	Share premium	Statutory reserve	FVTOCI reserve	Translation reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	100,181	98,223	35,769	(1,305)	(1,422)	526,368	757,814	4,617	762,431
Profit for the year	—	—	—	—	—	67,498	67,498	92	67,590
Other comprehensive income (expense) for the year	—	—	—	384	(126)	—	258	23	281
Total comprehensive income (expense) for the year	—	—	—	384	(126)	67,498	67,756	115	67,871
Repurchase of shares (Note 30)	(3,371)	(32,183)	—	—	—	—	(35,554)	—	(35,554)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(193)	(193)
Capital injection by non-controlling shareholders of a subsidiary of the Group	—	—	—	—	—	—	—	2,450	2,450
Transferred to statutory reserve	—	—	4,450	—	—	(4,450)	—	—	—
Change in ownership of interest in subsidiaries without change of control (note ii)	—	2,756	—	—	—	—	2,756	194	2,950
At 31 December 2023	96,810	68,796	40,219	(921)	(1,548)	589,416	792,772	7,183	799,955
Profit for the year	—	—	—	—	—	59,584	59,584	850	60,434
Other comprehensive income (expense) for the year	—	—	—	14	(472)	—	(458)	(23)	(481)
Total comprehensive income (expense) for the year	—	—	—	14	(472)	59,584	59,126	827	59,953
Repurchase of shares (Note 30)	(2,562)	(15,368)	—	—	—	—	(17,930)	—	(17,930)
Dividends recognised as distribution	—	—	—	—	—	(28,531)	(28,531)	—	(28,531)
Transferred to statutory reserve	—	—	3,081	—	—	(3,081)	—	—	—
At 31 December 2024	94,248	53,428	43,300	(907)	(2,020)	617,388	805,437	8,010	813,447
Profit for the year	—	—	—	—	—	60,740	60,740	120	60,860
Other comprehensive (expense) income for the year	—	—	—	(535)	(892)	—	(1,427)	35	(1,392)
Total comprehensive (expense) income for the year	—	—	—	(535)	(892)	60,740	59,313	155	59,468
Dividends recognised as distribution	—	—	—	—	—	(37,699)	(37,699)	—	(37,699)
Capital injection by non-controlling shareholders of subsidiaries of the Group	—	—	—	—	—	—	—	1,050	1,050
Acquisition of additional interests in subsidiaries (note iii)	—	(680)	—	—	—	—	(680)	(1,640)	(2,320)
Disposal of investments in equity instruments at FVTOCI	—	—	—	1,442	—	(1,442)	—	—	—
Transferred to statutory reserve	—	—	2,703	—	—	(2,703)	—	—	—
At 31 December 2025	94,248	52,748	46,003	—	(2,912)	636,284	826,371	7,575	833,946

Notes:

(i) The amount mainly represents statutory reserve fund. According to the relevant laws in the People's Republic of China (the "PRC"), each of the Group's entities established in the PRC is required to allocate at least 10% of its profit after tax as per financial statements prepared in accordance with the relevant PRC accounting standards to statutory reserve fund until the reserve fund reaches 50% of the registered capital of respective entity. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years' losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.

(ii) In 2023, Jiangsu Kaijie Ecommerce Co., Ltd.*(江蘇凱喆網絡科技有限公司) ("Jiangsu Kaijie"), a directly held subsidiary of the Company, purchased 30% equity of Shanghai Kaihan Network Technology Co., Ltd.*(上海凱瀚網絡科技有限公司) ("Shanghai Kaihan"), an indirectly held subsidiary of the Company from the non-controlling shareholder at consideration of RMB600,000, resulting in increase of share premium by RMB2,732,000 and decrease of non-controlling interests by RMB3,332,000, respectively, upon completion of which, the Group's equity interests in Shanghai Kaihan increased from 70% to 100%.

In 2023, the Company and two investors of Shanghai Jiakai Network Technology Co., Ltd.* (上海家凱網絡科技有限公司) ("Shanghai Jiakai") increased their investments in Shanghai Jiakai by RMB1,600,000 and RMB1,100,000, respectively, resulting in increase of share premium by RMB27,000 and increase of non-controlling interests by RMB1,073,000, respectively, upon completion of which, the Group's equity interests in Shanghai Jiakai decreased from 65% to 55%.

In 2023, Jiangsu Kaijie and two investors increased their capital investment in Changzhou Jinshen Health Co., Ltd.* (常州金參健康有限公司) ("Changzhou Jinshen") by RMB250,000 and RMB2,450,000 respectively, resulting in decrease of share premium by RMB3,000 and increase of non-controlling interests by RMB2,453,000, respectively, upon completion at which, the Group's equity increases in Changzhou Jinshen decreased from 100% to 51%.

(iii) In 2025, the non-controlling shareholder of Kaihe (Shanghai) Ecommerce Co., Ltd.* (凱合(上海)電子商務有限公司) ("Shanghai Kaihe"), a subsidiary of Jiangsu Kaijie, transferred its 25% equity interest to Jiangsu Kaijie for cash consideration of RMB250,000, resulting in the reduction of share premium by RMB66,000 and non-controlling interests by RMB184,000, respectively, upon completion of which, the Group's equity interests in Shanghai Kaihe increased from 75% to 100%.

In 2025, the non-controlling shareholder of Shanghai Jiakai transferred its 18% equity interest to the Company for cash consideration of RMB2,070,000, resulting in the reduction of share premium by RMB614,000 and non-controlling interests by RMB1,456,000, respectively, upon completion of which, the Group's equity interests in Shanghai Jiakai increased from 55% to 73%.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	91,217	78,410	79,011
Adjustments for:			
Share of results of associates	(504)	432	290
Depreciation of property and equipment	2,387	1,392	1,147
Depreciation of right-of-use assets	23,598	15,927	10,334
Depreciation of investment properties	362	362	362
Amortisation of intangible assets	67	67	67
Finance costs	9,774	7,534	6,839
Interest income	(2,945)	(3,829)	(3,053)
Loss (gain) on disposal of property and equipment	11	(55)	(15)
Net gain on termination of right-of-use assets and lease liabilities	—	(537)	(172)
Gain on fair value changes of wealth management products	(1,655)	(2,507)	(3,369)
Fair value gian on derivative financial instruments	—	—	(1,553)
Net foreign exchange (gains) losses	(1,471)	1,438	2,388
Impairment losses of trade and other receivables under ECL model, net of reversal	967	169	(927)
Write-down of inventories, net of reversal	6,908	7,862	9,277
Operating cash flows before movements in working capital	128,716	106,665	100,626
(Increase) decrease in other non-current assets	(1,166)	843	186
(Increase) decrease in inventories	(9,800)	11,114	27,828
Decrease (increase) in trade and other receivables	409	(77,488)	16,352
(Decrease) increase in contract liabilities	(889)	(6,011)	3,844
(Decrease) increase in trade, bills and other payables	(17,002)	63,360	(56,497)
Cash generated from operations	100,268	98,483	92,339
Interest received	2,945	3,829	3,053
Income tax paid	(31,432)	(23,298)	(17,546)
NET CASH FROM OPERATING ACTIVITIES	71,781	79,014	77,846

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Proceeds from disposals of property and equipment	112	85	53
Purchases of property and equipment	(398)	(1,316)	(1,306)
Withdrawal of financial assets at FVTPL	674,375	1,226,453	1,016,561
Placement of financial assets at FVTPL	(702,120)	(1,260,136)	(1,007,991)
Proceeds on disposal of equity instruments at FVTOCI	—	—	1,088
Gross cash outflows from foreign exchange swap contracts	—	—	(25,000)
Gross cash inflows from foreign exchange swap contracts	—	—	25,000
Placement of time deposits	—	(39,537)	(7,029)
Withdraw of time deposits	—	25,160	—
Acquisition of investment in an associate	—	(1,000)	—
Dividends received from an associate	—	328	—
Placement of restricted bank deposits	(4,157)	(7,818)	(8,827)
Withdrawal of restricted bank deposits	13,591	4,157	7,818
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(18,597)	(53,624)	367
FINANCING ACTIVITIES			
Dividends paid	—	(28,531)	(37,699)
Interest paid	(9,774)	(7,534)	(6,839)
Capital injections from non-controlling shareholders	6,000	—	1,050
Repayments of lease liabilities	(23,652)	(15,504)	(9,353)
Repayments of bank borrowings	(450,735)	(399,614)	(437,333)
Acquisition of partial interest of subsidiaries	(600)	—	(2,320)
New bank borrowings raised	433,284	387,658	438,948
Payment of accrued issue cost	—	—	(1,570)
Dividends paid to non-controlling interests	(193)	—	—
Payments on repurchase of shares	(35,554)	(17,930)	—
NET CASH USED IN FINANCING ACTIVITIES	(81,224)	(81,455)	(55,116)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(28,040)	(56,065)	23,097
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	313,427	286,747	228,756
Effect of foreign exchange rate changes	1,360	(1,926)	(2,938)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	286,747	228,756	248,915
Represented by bank balance and cash	286,747	228,756	248,915

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai Keying E-commerce Co., Ltd.* (上海凱詰電子商務股份有限公司) (The "Company") was incorporated and registered in the People's Republic of China (the "PRC") on 19 July 2010 as a limited liability company. In September 2015, the Company was converted into a joint stock company with limited liability. The respective addresses of the registered office and the principal place of business of the Company are stated in the section headed "Corporate Information" in this document.

The Group is principally engaged in offering end-to-end and multi-channel digital retail solutions for established brands.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 3 which conform with IFRS Accounting Standards.

Items included in the financial statements of each of the Group's entities are recorded using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is RMB.

The statutory financial statements of the Company for the years ended 31 December 2023 were prepared in accordance with Accounting Standards for Business Enterprises, issued by the Ministry of Finance of the PRC and were audited by RSM China* (容誠會計師事務所(特殊普通合夥)) , Certified Public Accountants registered in the PRC, respectively. No audited statutory financial statements of the Company have been issued for the year ended 31 December 2024 and 2025.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

* *English name is for identification purpose*

Except for new IFRS Accounting Standard mentioned below, the directors of the Company (the "Directors") anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace International Accounting Standard 1 *Presentation of Financial Statements* ("IAS 1"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less than any identified impairment loss on the statement of financial position of the Company.

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Notes 5 and 29.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term leases recognition exemption to leases, including office, warehouses, vehicles and event sites, that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; the fluctuation of interest rates quoted by loan prime rate; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff 's wages as contributions to the schemes. Payments to such retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares awards granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When shares awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the right of use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Impairment on property and equipment, right-of-use assets, and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as of FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables and other non-current assets) which are subjected to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "Other gains and losses" line item (Note 8) as part of the net foreign exchange gains/(losses).

- For financial assets measured at FVTPL, exchange differences are recognized in profit or loss in the "Other gains and losses" line item (Note 8) as part of the fair value losses on derivative financial instruments.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities at amortised cost

Financial liabilities including trade, bills and other payables, bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other gains and losses" line item in profit or loss (Note 8) as part of net foreign exchange gains/(losses) for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Deferred tax assets

As of 31 December 2023, 2024 and 2025, a deferred tax asset of RMB6,191,000, RMB7,531,000 and RMB5,078,000 in relation to unused tax losses and deductible temporary differences for the Company and its operating subsidiaries has been recognised in the consolidated statements of financial position as disclosed in Note 20. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of higher interest rates and inflation, cyberattacks, and international conflicts and tensions, may progress and evolve. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the estimated selling price in the ordinary course of business less costs necessary to make the sale, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed on regular basis for write-down, if appropriate. Further details of the inventories are set out in Note 21.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Type of goods and services			
Sales of goods and related services			
- Sales of goods			
- To-C	1,030,981	973,948	1,060,438
- To-B	556,655	582,433	540,795
	1,587,636	1,556,381	1,601,233
- Provision of services	135,262	142,173	155,977
	1,722,898	1,698,554	1,757,210
Timing of revenue recognition			
A point in time	1,587,636	1,556,381	1,601,233
Over time	135,262	142,173	155,977
	1,722,898	1,698,554	1,757,210

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of goods

The Group generates revenue from sales of products purchased from brand owners and/or their authorised distributors, including food and beverage, healthcare baby and kids products and other categories (i) directly to end consumers through authorised flagship stores and other brand stores operated by the Group on e-commerce platforms (the "to-C"), or (ii) to e-commerce platforms or distribution partners (the "to-B"). Revenue generated from selling products is recognised on a gross basis, because (i) the Group, rather than the brand owner, is primarily responsible for fulfilling the promise to provide the specified goods; (ii) the Group bears the inventory risk; and (iii) the Group has discretion in determining the product price.

Under to-C model, the control of the goods was transferred when end consumers manually confirm receipt of goods within the period stipulated by the e-commerce platform (typically being seven days upon delivery by logistics service providers); or when the e-commerce platform automatically acknowledges receipt of the order after the stipulated period (typically being ten days for domestic online stores and twenty days for cross-border online stores after the goods are shipped). The consumer prepays the full price into the escrow account established by the e-commerce platform, which will be transferred to the Group's authorised flagship store's or other brand store's fund account after the order is confirmed as received. Under some circumstances, when the customer initially purchases the goods online with advance payments, such transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Under to-B model, the control of the goods was transferred when the relevant e-commerce platform or distributer partner, as the Group's direct customer, issues documents (e.g. settlement statements) evidencing transfer of control over goods to the end customers; or when the goods are delivered to the designated locations or transferred to the specified carriers. In determining the transaction price, the Group considers the effects of variable consideration (e.g. rebate and discount) and estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled. The Group typically requires advance payment from distribution partners before delivery. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the distributer partners. Under certain circumstances, customers, including e-commerce platforms and distributer partners have a right to return products within a reasonable period of time after the receipt of the goods purchased from the Group. During the Track Record Period, the financial impact arising from the right of customers to return products was not material.

Provision of services

The Group also acts as a service provider to facilitate its brand owners' online sales of their branded products with the performance obligations to provide a range of e-commerce services, such as traffic acquisition and branding services, e-commerce store operation services, and/or brand value enhancement services. The Group collects associated service fees or incentives based on these services. Revenue from provision of services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs or recognised at point of time as the customers receive the delivery.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

Segment information

For the purpose of resource allocation and assessment of segment performance, the general manager of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as set out in Note 3. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

During the Track Record Period, all of the Group's revenue is derived from customers located in the PRC. As of 31 December 2023, 2024 and 2025, all of the non-current assets (excluding deferred tax assets and financial instruments) of the Group are located in the PRC.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the Track Record Period is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	321,062	368,163	296,914

6. OTHER INCOME

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank interest income	2,945	3,829	3,053
Government grants - income related (note)	18,060	11,070	10,259
Rental income	266	254	247
Extra deduction of value-added tax ("VAT")	204	—	—
	21,475	15,153	13,559

Note: Government grants were mainly related to enterprise operation and development support. These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets of the Group or are conditional but with such has been satisfied during the year.

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses recognised (reversed) on:			
- Trade receivables	57	(35)	63
- Other receivables	910	204	(990)
	967	169	(927)

* *Amount is less than RMB1,000.*

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange gains (losses)	1,471	(1,438)	(2,388)
Gain from changes in fair value of wealth management products	1,655	2,507	3,369
(Loss) gain on disposal of property and equipment	(11)	55	15
Net gain on termination of right-of-use assets and lease liabilities	—	537	172
Fair value gain on derivative financial instruments	—	—	1,553
Others	(145)	427	(320)
	2,970	2,088	2,401

9. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings	8,748	6,690	6,377
Interest on lease liabilities	1,026	844	462
	9,774	7,534	6,839

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation of property and equipment	2,387	1,392	1,147
Depreciation of right-of-use assets	23,598	15,927	10,334
Amortisation of intangible assets	67	67	67
Depreciation of investment properties	362	362	362
Total depreciation and amortisation	26,414	17,748	11,910
Auditors' remuneration	1,661	1,292	2,599
Staff costs			
- Salaries and other benefits	208,558	198,011	197,461
- Retirement benefit scheme contributions	22,421	21,628	21,808
- Discretionary performance related bonus	34,055	28,246	29,824
Total staff costs	265,034	247,885	249,093
Analysed as			
- Cost of sales	76,525	76,542	86,124
- Selling and marketing expenses	129,650	120,142	111,199
- Administrative expenses	44,499	39,951	40,357
- Research and development expenses	14,360	11,250	11,413
Total staff costs charged to profit or loss	265,034	247,885	249,093
Cost of inventories recognised as an expense	1,175,891	1,205,322	1,197,739
Write-down of inventories	6,908	7,862	9,277
Total cost of inventories	1,182,799	1,213,184	1,207,016
[REDACTED]	—	—	[REDACTED]

11. INCOME TAX EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
- PRC Enterprise Income Tax ("EIT")	23,552	18,201	15,599
- Hong Kong	762	402	121
- Other jurisdictions	342	700	—
Under provision in prior years	—	—	489
	24,656	19,303	16,209
Deferred tax	(1,029)	(1,327)	1,942
	23,627	17,976	18,151

Mainland China

Under the PRC Enterprise Income Tax Law (the "EIT Law") and Implementation Regulation of the EIT Law, the Group, except for certain subsidiaries of the Group as described below, was subject to statutory EIT rate at 25% during the Track Record Period.

Certain subsidiaries of the Group were qualified as small-scale and low-profit enterprises and were subject to EIT rate at 20% during the Track Record Period. Pursuant to prevailing EIT Law, small-scale and low-profit enterprise is further eligible for taxable income reduction to enjoy a lower effectively applicable EIT rate. As such, effectively applicable tax rate of those subsidiaries of the Group is 5% during the Track Record Period.

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong Dollar ("HK$")2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000.

Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Income tax expense for the year can be reconciled to profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	91,217	78,410	79,011
Tax at EIT rate of 25%	22,804	19,603	19,753
Tax effect of expense not deductible for tax purpose	2,956	1,486	1,054
Tax effect of share of results of associates	(126)	108	73
Tax effect of additional tax deduction of research and development expenses (note)	(1,875)	(1,657)	(1,638)
Under provision in prior years	—	—	489
Income tax at concessionary rate	635	(1,418)	(1,965)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(767)	(146)	385
Income tax expense for the year	23,627	17,976	18,151

Note: Pursuant to Caishui 2023 circular No. 7, Shanghai Magkey Digital Technology Co., Ltd.* (上海麥格凱數字科技有限公司) ("**Shanghai Magkey**") enjoyed super deduction of 200% on qualified research and development expenditures throughout the years ended 31 December 2023, 2024 and 2025.

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors', supervisors' and chief executive's emoluments

During the Track Record Period, directors', supervisors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023							
Directors							
Mr. Xu Hao (許浩) ("Mr. Xu")	28 February 2014	N/A	—	3,379	68	2,115	5,562
Mr. Han Songyu (韓鬆育) ("Mr. Han") (note i)	28 February 2014	N/A	—	3,357	68	2,100	5,525
Ms. Liu Meng (劉孟) ("Ms. Liu")	7 September 2015	N/A	—	849	68	630	1,547
Ms. Cui Min (崔敏) ("Ms. Cui")	17 June 2016	N/A	—	537	—	320	857
Mr. Bao Shengwei (包聖為) ("Mr. Bao")	12 September 2018	12 December 2023	—	1,365	68	1,170	2,603
Mr. Jiang Mingjie (薑銘傑) ("Mr. Jiang")	29 June 2020	12 December 2023	—	897	68	642	1,607
Independent directors							
Mr. Ding Yong (丁勇) ("Mr. Ding")	12 June 2020	7 May 2025	80	—	—	—	80
Dr. Ye Xiaojie (葉小傑) ("Dr. Ye")	12 June 2020	7 May 2025	80	—	—	—	80
Dr. Lu Haojie (陸豪傑) ("Dr. Lu")	12 June 2020	7 May 2025	80	—	—	—	80
Supervisors							
Ms. Shen Binglin (沈冰琳) ("Ms. Shen")	7 September 2015	N/A	—	589	68	179	836
Ms. Mou Lin (牟琳) ("Ms. Mou")	26 August 2019	N/A	—	299	44	37	380
Mr. Xu Zhiwen (徐智文) ("Mr. Xu Z")	1 September 2015	18 March 2024	—	—	—	—	—
			240	11,272	452	7,193	19,157

	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024							
Directors							
Mr. Xu	28 February 2014	N/A	—	3,402	71	1,929	5,402
Mr. Han (note i)	28 February 2014	N/A	—	3,380	71	1,943	5,394
Ms. Liu	7 September 2015	N/A	—	862	71	715	1,648
Ms. Cui	17 June 2016	N/A	—	551	—	308	859
Mr. You Minyong (遊敏勇) ("Mr. You") (note ii)	18 March 2024	17 April 2025	—	98	14	—	112
Mr. Xu Z	18 March 2024	7 May 2025	—	—	—	—	—
Independent directors							
Mr. Ding	12 June 2020	7 May 2025	73	—	—	—	73
Dr. Ye	12 June 2020	7 May 2025	73	—	—	—	73
Dr. Lu	12 June 2020	7 May 2025	73	—	—	—	73
Supervisors							
Ms. Xiong Kui (熊葵) ("Ms. Xiong")	18 March 2024	N/A	—	707	71	213	991
Ms. Shen	7 September 2015	N/A	—	635	71	194	900
Ms. Mou	26 August 2019	N/A	—	287	22	35	344
Mr. Xu Z	1 September 2015	18 March 2024	—	—	—	—	—
			219	9,922	391	5,337	15,869

	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025							
Executive directors							
Mr. Xu	28 February 2014	N/A	—	3,397	71	1,995	5,463
Mr. Han (note i)	28 February 2014	N/A	—	3,374	71	2,008	5,453
Ms. Liu	7 September 2015	N/A	—	863	71	976	1,910
Ms. Cui	17 June 2016	N/A	—	551	—	308	859
Mr. Xu Z	18 March 2024	7 May 2025	—	—	—	—	—
Non-executive director							
Mr. You (note ii)	17 April 2025	N/A	—	219	14	—	233
Independent directors							
Mr. Ding	12 June 2020	7 May 2025	21	—	—	—	21
Dr. Ye	12 June 2020	7 May 2025	21	—	—	—	21
Dr. Lu	12 June 2020	7 May 2025	21	—	—	—	21
Supervisors							
Ms. Xiong	18 March 2024	N/A	—	771	71	225	1,067
Ms. Shen	7 September 2015	N/A	—	647	71	154	872
Ms. Mou	26 August 2019	N/A	—	268	—	39	307
			63	10,090	369	5,705	16,227

Notes:

i. Mr. Han is the general manager of the Company.

ii. Mr. You was appointed as a non-executive director of the Company as of 17 April 2025.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or supervisors waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Five highest paid employees

The five highest paid employees of the Group include 3, 2 and 2 directors of the Company respectively whose emoluments, are set out above for the Track Record Period. The emoluments of the remaining 2, 3 and 3 employees for each of the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	3,535	4,980	4,981
Retirement benefit scheme contributions	136	212	214
Discretionary performance related bonus (note)	1,580	2,667	2,528
	5,251	7,859	7,723

Note: Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The number of the five highest paid individuals including the directors are within the following bands presented in HK$:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
HK$2,500,001 to HK$3,000,000	2	2	2
HK$3,000,001 to HK$3,500,000	1	1	1
HK$5,500,001 to HK$6,000,000	—	2	—
HK$6,000,001 to HK$6,500,000	2	—	2
Total	5	5	5

13. DIVIDENDS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the Track Record Period	—	28,531	37,699

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2022 and 2023, respectively.

At the extraordinary general meeting held on 7 June 2024, a dividend of RMB0.1 per share totalling RMB9,681,000 in respect of the period ended 31 March 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 11 December 2024, a dividend of RMB0.2 per share totalling RMB18,850,000 in respect of the period ended 30 September 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 7 March 2025, a dividend of RMB0.3 per share totalling RMB28,274,000 in respect of the period ended 30 September 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 3 September 2025, a dividend of RMB0.1 per share totalling RMB9,425,000 in respect of the period ended 30 June 2025 was approved by the shareholders and subsequently paid to the shareholders of the Company.

14. EARNINGS PER SHARE

The calculation of basic earnings per share from continuing operation attributable to owners of the Company is based on the following data:

Earnings:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings for the purpose of basic earnings per share from continuing operations	67,498	59,584	60,740

Number of shares:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	99,553	95,638	94,248

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the repurchase of shares with details set out in Note 30.

No diluted earnings per share for the years ended 31 December 2023, 2024 and 2025 were presented as there were no potential ordinary shares in issue for the Track Record Period.

15. PROPERTY AND EQUIPMENT

The Group

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At 1 January 2023	10,547	420	6,794	17,761
Additions	398	—	—	398
Disposals	(706)	—	—	(706)
At 31 December 2023	10,239	420	6,794	17,453
Additions	859	—	457	1,316
Disposals	(831)	—	—	(831)
At 31 December 2024	10,267	420	7,251	17,938
Additions	840	—	466	1,306
Disposals	(313)	—	—	(313)
At 31 December 2025	10,794	420	7,717	18,931

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ACCUMULATED DEPRECIATION				
At 1 January 2023	8,587	399	4,386	13,372
Provided for the year	1,114	—	1,273	2,387
Eliminated on disposals	(583)	—	—	(583)
At 31 December 2023	9,118	399	5,659	15,176
Provided for the year	574	—	818	1,392
Eliminated on disposals	(801)	—	—	(801)
At 31 December 2024	8,891	399	6,477	15,767
Provided for the year	545	—	602	1,147
Eliminated on disposals	(275)	—	—	(275)
At 31 December 2025	9,161	399	7,079	16,639
CARRYING VALUE				
At 31 December 2023	1,121	21	1,135	2,277
At 31 December 2024	1,376	21	774	2,171
At 31 December 2025	1,633	21	638	2,292

The Company

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At 1 January 2023	9,474	420	3,164	13,058
Additions	224	—	—	224
Disposals	(646)	—	—	(646)
At 31 December 2023	9,052	420	3,164	12,636
Additions	771	—	310	1,081
Disposals	(767)	—	—	(767)
At 31 December 2024	9,056	420	3,474	12,950
Additions	566	—	—	566
Disposals	(171)	—	—	(171)
At 31 December 2025	9,451	420	3,474	13,345
ACCUMULATED DEPRECIATION				
At 1 January 2023	7,823	399	2,663	10,885
Provided for the year	909	—	501	1,410
Eliminated on disposals	(573)	—	—	(573)
At 31 December 2023	8,159	399	3,164	11,722
Provided for the year	442	—	52	494
Eliminated on disposals	(739)	—	—	(739)
At 31 December 2024	7,862	399	3,216	11,477
Provided for the year	445	—	103	548
Eliminated on disposals	(159)	—	—	(159)
At 31 December 2025	8,148	399	3,319	11,866
CARRYING VALUE				
At 31 December 2023	893	21	—	914
At 31 December 2024	1,194	21	258	1,473
At 31 December 2025	1,303	21	155	1,479

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	Years	
Office equipment and electronic equipment	3-10	5%
Transportation equipment	4	5%
Leasehold improvements	The shorter of the term of the relevant lease or their estimated useful lives	0%

16. RIGHT-OF-USE ASSETS

The Group

	Leasehold properties
	RMB'000
At 31 December 2023	
Carrying amount	32,755
At 31 December 2024	
Carrying amount	14,312
At 31 December 2025	
Carrying amount	14,015
For the year ended 31 December 2023	
Depreciation charge	23,598
For the year ended 31 December 2024	
Depreciation charge	15,927
For the year ended 31 December 2025	
Depreciation charge	10,334

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	4,838	5,416	2,554
Total cash outflow for leases	29,516	21,764	12,369
Additions to right-of-use assets	37,792	13,956	13,581
Termination of right-of-use assets	—	16,471	3,544

During the Track Record Period, the Group leases various warehouses and offices for its operations. Lease contracts are entered into for fixed term of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for warehouses, offices, vehicles and event sites. As of 31 December 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses are disclosed above.

As of 31 December 2025, the outstanding lease commitments relating to warehouses, offices and vehicles is RMB1,127,000.

Restrictions or covenants on leases

In addition, lease liabilities of RMB33,462,000, RMB14,906,000 and RMB15,418,000 are recognised with related right-of-use assets of RMB32,755,000, RMB14,312,000 and RMB14,015,000 as of 31 December 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Note 35.

The Company

	Leasehold properties
	RMB'000
At 31 December 2023	
Carrying amount	22,390
At 31 December 2024	
Carrying amount	9,811
At 31 December 2025	
Carrying amount	8,499
For the year ended 31 December 2023	
Depreciation charge	14,645
For the year ended 31 December 2024	
Depreciation charge	11,594
For the year ended 31 December 2025	
Depreciation charge	7,519

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	2,508	2,381	453
Total cash outflow for leases	17,167	14,206	7,472
Additions to right-of-use assets	27,243	8,770	7,171
Termination of right-of-use assets	—	9,755	964

During the Track Record Period, the Company leases various warehouses and offices for its operations. Lease contracts are entered into for fixed term of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Company applies the definition of a contract and determines the period for which the contract is enforceable.

The Company regularly entered into short-term leases for warehouses, offices and vehicles. As of 31 December 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses are disclosed above.

As of 31 December 2025, the outstanding lease commitments relating to warehouse and vehicles is RMB340,000.

Restrictions or covenants on leases

In addition, lease liabilities of RMB22,840,000, RMB10,373,000 and RMB9,838,000 are recognised with related right-of-use assets of RMB22,390,000, RMB9,811,000 and RMB8,499,000 at 31 December 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

The Group and the Company

The Group leases out various residential properties under operating leases with rentals payable monthly or quarterly. The leases typically run for an initial period of 1 to 3 years during the Track Record Period. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	Leased properties
	RMB'000
COST	
At 1 January 2023 and 31 December 2023, 2024 and 2025	17,156
ACCUMULATED DEPRECIATION	
At 1 January 2023	1,664
Provided for the year	362
At 31 December 2023	2,026
Provide for the year	362
At 31 December 2024	2,388
Provided for the year	362
At 31 December 2025	2,750
CARRYING VALUE	
At 31 December 2023	15,130
At 31 December 2024	14,768
At 31 December 2025	14,406

The above investment properties are depreciated on a straight-line basis over the useful lives of 38 to 57 years.

The fair value of the Group's investment properties as of 31 December 2023, 2024 and 2025 was RMB18,150,000, RMB17,380,000 and RMB16,750,000, respectively. The fair value has been arrived at based on a valuation carried out by AVISTA Valuation Advisory Limited ("AVISTA"), with registered address of Unit C, 23/F, Phase II, Sino-Ocean Tower, No. 618 East Yan An Road, Huangpu District, Shanghai, PRC, a firm of independent valuers not connected with the Group.

The fair value was determined based on the direct comparison approach, which referred to the comparable sales evidence available in the relevant market. By analysing comparable properties of similar size, characteristics and location, and carefully weighing all relevant advantages and disadvantages of each property to arrive at fair value. There has been no change from the valuation technique used in the Track Record Period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as of the end of the reporting period are as follows:

	As of 31 December 2023,	
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	*RMB'000*
Residential properties	15,130	18,150

	As of 31 December 2024,	
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	*RMB'000*
Residential properties	14,768	17,380

	As of 31 December 2025,	
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	*RMB'000*
Residential properties	14,406	16,750

The table below provides details on the determination of the fair values of these investment properties as of 31 December 2023, 2024 and 2025, including the valuation techniques and inputs used.

Type	Valuation technique	Significant unobservable input
Residential housing	Direct comparison approach	Market unit rate (note)

Note: An increase in the market unit rate used would result in an increase in fair value, and vice versa.

18. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
COST	
At 1 January 2023 and 31 December 2023, 2024 and 2025	670
ACCUMULATED AMORTISATION	
At 1 January 2023	161
Provided for the year	67
At 31 December 2023	228
Provide for the year	67
At 31 December 2024	295
Provided for the year	67
At 31 December 2025	362
CARRYING VALUE	
At 31 December 2023	442
At 31 December 2024	375
At 31 December 2025	308

The above intangible assets have finite useful lives and are amortised on a straight-line basis over 10 years.

19. INTERESTS IN ASSOCIATES

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, [REDACTED]	21,365	10,510	10,510
Share of post-acquisition losses and other comprehensive expenses, net of dividends received	(3,037)	(1,914)	(2,204)
Impairment loss	(9,971)	—	—
	8,357	8,596	8,306

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, unlisted	5,820	5,820	5,820
Share of post-acquisition losses and other comprehensive expenses, net of dividends received	1,883	1,246	1,257
	7,703	7,066	7,077

The Group

Details of the Group's associates during the Track Record Period and the date of this report are as follows:

Name of associates	Place of Incorporation and principal place of business	Proportion of ownership interest held by the Group				Proportion of voting right held by the Group				Principal activities
		At 31 December			At date of report	At 31 December			At date of report	
		2023	2024	2025		2023	2024	2025		
Directly held										
Shanghai Fannigai Information Technology Co., Ltd* (上海帆尼蓋 信息科技有限公司) (note i)	Mainland China	44.40%	44.40%	44.40%	[44.40%]	44.40%	44.40%	44.40%	[44.40%]	Software and information technology service
Shanghai Weijie Culture Media Co., Ltd* (上海 微喆文化傳媒有限公司) ("Shanghai Weijie") (note i)	Mainland China	40.00%	40.00%	40.00%	[40.00%]	40.00%	40.00%	40.00%	[40.00%]	Broadcasting, television, film, and recording production
Shanghai Yirui Cultural Media Co., Ltd.* (上海 壹睿文化傳媒有限公司) ("Shanghai Yirui") (note i)	Mainland China	32.80%	32.80%	32.80%	[32.80%]	32.80%	32.80%	32.80%	[32.80%]	Professional technology service
Xiamen Xihe Technology Co., Ltd* (廈門睎和科 技有限公司) (note i)	Mainland China	—	20.00%	20.00%	[20.00%]	—	20.00%	20.00%	[20.00%]	Research and experimental development
HB VILLAGE Limited (notes i and iii)	Hong Kong	22.35%	N/A	N/A	N/A	20.00%	N/A	N/A	N/A	Technical support for e-commerce business
Shanghai Yinlong Green Food Sales Co., Ltd* (上海銀龍綠色食品銷售 有限公司) (note i)	Mainland China	49.00%	49.00%	49.00%	[49.00%]	49.00%	49.00%	49.00%	[49.00%]	Wholesaler
Indirectly held										
Shanghai Youhao Network Technology Co., Ltd* (上海遊灝網絡科技有限 公司)("Shanghai Youhao") (note ii)	Mainland China	19.03%	19.03%	19.03%	[19.03%]	19.03%	19.03%	19.03%	[19.03%]	Professional technology service

* English name is for identification purpose

Notes:

i. The Group has significant influence over these entities through its voting rights and/or presence in the board of directors of the investees and does not have veto rights.

ii. The Group is able to exercise significant influence over Shanghai Youhao because it has the right to appoint 1 director out of 3 directors of this entity.

iii. This entity was deregistered during the year ended 31 December 2024.

Aggregate information of associates that are not individually material

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
The Group's share of profit (loss) from continuing operations	737	(1,702)	(1,259)
The Group's share of total comprehensive income (expense)	737	(1,702)	(1,259)

	As of 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's interests in these associates	8,357	8,596	8,306

20. DEFERRED TAXATION

The Group

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

	As of 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	6,191	7,531	5,078
Deferred tax liabilities	(195)	(212)	(5)
	5,996	7,319	5,073

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Tax losses	ECL provision	Financial assets at FVTOCI	Allowance for inventory	Lease liabilities	Right-of-use assets	Unrealised profit	Financial assets at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	550	690	435	3,127	2,916	(2,930)	306	—	5,094
Credit (charge) to profit or loss	794	332	—	(648)	3,492	(3,361)	420	—	1,029
Charge to other comprehensive expense	—	—	(127)	—	—	—	—	—	(127)
At 31 December 2023	1,344	1,022	308	2,479	6,408	(6,291)	726	—	5,996
Credit (charge) to profit or loss	2,631	(11)	—	(588)	(3,504)	3,525	(726)	—	1,327
Charge to other comprehensive expense	—	—	(4)	—	—	—	—	—	(4)
At 31 December 2024	3,975	1,011	304	1,891	2,904	(2,766)	—	—	7,319
(Charge) credit to profit or loss	(1,380)	(232)	—	(61)	(67)	278	—	(480)	(1,942)
Charge to other comprehensive expense	—	—	(304)	—	—	—	—	—	(304)
At 31 December 2025	2,595	779	—	1,830	2,837	(2,488)	—	(480)	5,073

The aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB16,643,000, RMB19,095,000 and RMB18,443,000 as of 31 December 2023, 2024 and 2025, respectively. No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	3,017	2,572	1,427
Deferred tax liabilities	—	—	—
	3,017	2,572	1,427

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	ECL provision	Financial assets at FVTOCI	Allowance for inventory	Lease liabilities	Right-of-use assets	Financial assets at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	384	503	1,907	2,384	(2,448)	—	2,730
Credit (charge) to profit or loss	90	—	20	3,326	(3,149)	—	287
At 31 December 2023	474	503	1,927	5,710	(5,597)	—	3,017
Credit (charge) to profit or loss	179	—	(652)	(3,116)	3,144	—	(445)
At 31 December 2024	653	503	1,275	2,594	(2,453)	—	2,572
(Charge) credit to profit or loss	(217)	—	(213)	(134)	328	(406)	(642)
Charge to other comprehensive expense	—	(503)	—	—	—	—	(503)
At 31 December 2025	436	—	1,062	2,460	(2,125)	(406)	1,427

At 31 December 2023, 2024 and 2025, the Company did not have unused tax losses.

21. INVENTORIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Goods	469,958	450,982	413,877

Goods are net of a write-down of approximately RMB10,791,000, RMB8,343,000 and RMB10,237,000 as of 31 December 2023, 2024 and 2025, respectively.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Goods	256,925	245,097	215,017

Goods are net of a write-down of approximately RMB7,709,000, RMB5,098,000 and RMB4,246,000 as of 31 December 2023, 2024 and 2025, respectively.

22. TRADE AND OTHER RECEIVABLES/OTHER NON-CURRENT ASSETS

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables			
- Third parties	75,917	55,519	52,092
Less: Allowance for credit losses	(949)	(783)	(826)
	74,968	54,736	51,266
Advance payments on behalf of suppliers	125,956	131,345	150,524
Rebate receivable from brand owners	98,967	161,343	133,119
Prepaid expenses	30,958	65,172	61,835
Deferred issue costs (note)	—	—	2,272
Deductible VAT	20,704	19,382	16,244
Deposits	19,416	17,266	16,295
Others	3,031	1,248	2,311
Less: Allowance for credit losses	(3,533)	(3,549)	(2,534)
	295,499	392,207	380,066
	370,467	446,943	431,332
Analysed as:			
Current assets	366,546	443,865	428,440
Non-current assets	3,921	3,078	2,892
	370,467	446,943	431,332

Note: Deferred issue costs represent the qualifying portion of [REDACTED] incurred up to 31 December 2025, which will be debited to equity of the Group as share issue costs in respect of the successful issue of new shares upon [REDACTED].

As of 1 January 2023, trade receivables from contracts with customers amounted to RMB67,510,000.

Non-current portion of other receivables are deposits and presented as "other non-current assets".

The Group generally allows a credit period ranging from 30 to 120 days to its customers. The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on the posting date at the end of each reporting period.

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0 day to 1 year	71,805	53,223	51,061
1 year to 2 years	3,073	1,064	205
2 years to 3 years	90	449	—*
	74,968	54,736	51,266

Details of impairment assessment of trade and other receivables are set out in Note 35.

* *Amount is less than RMB1,000.*

Trade and other receivables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
HK$	852	1,817	839
United States Dollar ("US$")	2,126	3,299	1,662
Japanese Yen ("JPY")	2,281	1,377	4,271
Euro ("EUR")	—	981	881
Australian Dollar ("AUD")	—	400	244
Singapore Dollar ("SGD")	—	3	—
	5,259	7,877	7,897

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers			
- Third parties	48,749	27,723	32,257
Less: Allowance for credit losses	(131)	(151)	(180)
- Subsidiaries	265,840	332,589	355,005
	314,458	360,161	387,082
Amounts due from subsidiaries	255,634	130,224	104,804
Advance payments on behalf of suppliers	82,795	100,491	85,719
Rebate receivable from brand owners	57,856	106,819	90,745
Prepaid expenses	23,423	28,972	38,052
Deferred issue costs	—	—	2,272
Deductible VAT	563	575	583
Deposits	12,719	10,295	7,626
Others	654	300	363
Less: Allowance for credit losses	(1,766)	(2,464)	(1,567)
	431,878	375,212	328,597
	746,336	735,373	715,679
Analysed as:			
Current assets	744,211	733,962	714,400
Non-current assets	2,125	1,411	1,279
	746,336	735,373	715,679

As of 1 January 2023, trade receivables from contracts with customers amounted to RMB224,849,000.

Non-current portion of other receivables are deposits and presented as "other non-current assets".

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on the posting date at the end of each reporting period.

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0 day to 1 year	171,017	177,207	169,646
1 year to 2 years	46,412	93,600	80,331
2 years to 3 years	50,507	31,268	49,356
Over 3 years	46,522	58,086	87,749
	314,458	360,161	387,082

Details of impairment assessment of trade and other receivables are set out in Note 35.

Trade and other receivables that are denominated in currencies other than the functional currency of the Company is set out below:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
US$	63,528	76,989	87,713
	63,528	76,989	87,713

23. FINANCIAL ASSETS AT FVTPL

The Group

Financial assets mandatorily measured at FVTPL:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	116,510	152,700	147,499
Derivative financial assets - foreign exchange swap contracts	—	—	1,553
	116,510	152,700	149,052

The Company

Financial assets mandatorily measured at FVTPL:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	77,100	68,100	76,070
Derivative financial assets - foreign exchange swap contracts	—	—	1,553
	77,100	68,100	77,623

The Group and the Company has entered the foreign exchange swap contracts with banks to manage the currency risk. The first contract is to sell USD and buy RMB with notional amount of USD1,384,000 in total with the strike rate of 7.2240 and sell RMB and buy USD with the same amount with the strike rate of 7.0827 in 12 months. The second contract is to sell JPY and buy RMB with notional amount of JPY306,122,000 in total with the strike rate of 0.04900 and sell RMB and buy JPY with the same amount with the strike rate of 0.04912 in 12 months.

The Group and the Company have invested in several financial products managed by multiple financial institutions, with an expected yield of nil to 6.00%, 1.00% to 3.00%, and 0.65% to 2.99% for the years ended 31 December 2023, 2024 and 2025, respectively. With the actual returns being uncertain until maturity, all investments are classified as financial assets measured at fair value with changes recognised in profit or loss.

24. EQUITY INSTRUMENTS AT FVTOCI

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity investment - unlisted	1,782	1,800	—

The directors of the Company have irrevocably elected to designate the investments in equity instruments of two entities established in the PRC as at FVTOCI at initial recognition as they believe that this is a strategic investment which is not held for trading.

In 2025, the Group disposed of the investments in these two entities, at consideration of RMB1,000,000 and RMB88,000, respectively, which were also the fair value as at the date of disposal as the investments no longer meet the investment objective of the Group after group restructuring carried out by the investee. Cumulative losses on disposal of nil and RMB1,442,000 have been transferred to retained profits.

25. RESTRICTED BANK DEPOSITS/TIME DEPOSITS/CASH AND CASH EQUIVALENTS

As of 31 December 2023, 2024 and 2025, the restricted bank deposits mainly for (i) the issue of bills payables with carrying amount of RMB1,007,000, RMB2,418,000 and RMB4,351,000, respectively; (ii) the issue of letter of credit with carrying amount of RMB3,150,000, RMB5,400,000 and RMB4,476,000, respectively.

In 2023, 2024 and 2025, bank balances carried interest at prevailing market interest rates of 0.20%-1.55%, 0.20%-1.80% and 0.05%-2.45% per annum, respectively.

The time deposits of RMB14,377,000 and RMB14,057,000 (equivalent to US$2,000,000) were with original maturity of 6 months carrying at fixed rate of 4.19% per annum and with original maturity of 5 months carrying at fixed rate of 3.39% per annum as of 31 December 2024 and 2025, respectively. Another time deposits of RMB7,029,000 (equivalent to US$1,000,000) were with original maturity of 8 months carrying at fixed rate of 3.92% per annum as of 31 December 2025.

The majority of the Group's restricted bank deposits, time deposits and cash and cash equivalents that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
US$	90,424	99,855	103,344
HK$	24,354	4,917	8,709
JPY	7,695	9,054	8,080
EUR	2,170	3,549	5,697
Great British Pound ("GBP")	926	—	—
AUD	3,021	4,235	5,316
New Zealand Dollar ("NZD")	54	168	136
SGD	—	—	142
	128,644	121,778	131,424

26. TRADE, BILLS AND OTHER PAYABLES

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
- Third parties	183,798	224,498	162,393
- Related parties	962	642	642
Bills payables			
- Third parties	6,145	27,800	34,962
	190,905	252,940	197,997
Accrued payroll and welfare	45,374	42,336	44,888
Other taxes payables	10,649	11,015	9,401
Payable for promotion expenses	4,159	4,755	—
Receipts on behalf of other sellers or brand owners	884	3,669	479
Accrued issue costs	—	—	4,466
Deposits	118	722	268
Others	439	450	321
	61,623	62,947	59,823
	252,528	315,887	257,820

Payment terms with suppliers are mainly on credit ranging from 10 to 100 days from the time when the goods are received from the suppliers over the Track Record Period.

The following is an aged analysis of trade and bills payables presented based on the posting dates at the end of each reporting period:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0 day to 1 year	184,006	245,869	192,401
1 year to 2 years	4,582	3,783	1,899
2 years to 3 years	2,317	1,912	2,001
Over 3 years	—	1,376	1,696
	190,905	252,940	197,997

Trade and other payables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
US$	4,728	6,171	10,171
GBP	—	1,401	—
JPY	6,010	560	190
HK$	24	798	2,620
SGD	—	—	1
EUR	219	184	1,902
	10,981	9,114	14,884

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
- Third parties	154,071	193,172	136,711
- Related parties	642	642	642
- Subsidiaries	193,098	89,630	116,709
Bills payables			
- Third parties	5,667	26,612	34,749
	353,478	310,056	288,811
Accrued payroll and welfare	36,582	34,476	34,573
Amounts due to subsidiaries	2,661	4,220	13,171
Other taxes payables	9,215	10,095	6,635
Payable for promotion expenses	3,502	3,585	—
Receipts on behalf of other sellers or brand owners	1,024	3,797	456
Accrued issue costs	—	—	4,466
Deposits	118	684	260
Others	418	429	211
	53,520	57,286	59,772
	406,998	367,342	348,583

The following is an aged analysis of trade and bills payables presented based on the posting dates at the end of each reporting period:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0 day to 1 year	257,830	298,250	233,385
1 year to 2 years	77,868	7,810	48,549
2 years to 3 years	17,780	2,418	3,708
Over 3 years	—	1,578	3,169
	353,478	310,056	288,811

Trade and other payables that are denominated in currencies other than the functional currency of the Company is set out below:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
HK$	—	—	9,733
US$	—	—	3,057
	—	—	12,790

27. BANK BORROWINGS

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unsecured and guaranteed (note)			
Fixed-rate borrowings	125,944	136,960	60,072
Variable-rate borrowings	63,989	41,017	15,000
Unsecured and unguaranteed			
Fixed-rate borrowings	—	—	54,951
Variable-rate borrowings	—	—	49,569
	189,933	177,977	179,592

The Group's bank borrowings are all repayable within one year based on the scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At 31 December		
	2023	**2024**	**2025**
	%	%	%
Fixed-rate borrowings	3.00-4.30	2.90-4.20	2.30-3.60
Variable-rate borrowings	3.05-4.40	2.95-3.80	2.18-3.35

Note: Among the loans of the Group, the loan of the Company was guaranteed by Mr. Xu, Mr. Han and Mr. You, three shareholders of the Company which will be released before [REDACTED]. And the loan of Shanghai KaiChong E-commerce Co., Ltd.* (上海凱寵電子商務有限公司) ("Shanghai KaiChong"), a subsidiary of the Group, was guaranteed by the Company and Shanghai Small, Medium and Micro Enterprise Policy Financing Guarantee Fund Management Center or by the Company.

* *English name is for identification purpose*

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unsecured and guaranteed (note)			
Fixed-rate borrowings	125,944	136,464	55,072
Variable-rate borrowings	53,989	30,013	—
Unsecured and unguaranteed			
Fixed-rate borrowings	—	—	54,951
Variable-rate borrowings	—	—	49,569
	179,933	166,477	159,592

The Company's bank borrowings are all repayable within one year based on the scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At 31 December		
	2023	**2024**	**2025**
	%	*%*	*%*
Fixed-rate borrowings	3.00-4.30	3.00-4.20	2.30-3.60
Variable-rate borrowings	3.65-4.40	3.35-3.80	2.60-2.80

Note: The loan of the Company was guaranteed by Mr. Xu, Mr. Han and Mr. You, three shareholders of the Company which will be released before [REDACTED].

The Group's and the Company's bank borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Denominated in US$	—	—	10,000
Denominated in JPY	—	—	34,805

Loan covenants

In respect of a bank loan of the Company with carrying amount of RMB38,500,000, RMB30,000,000 and RMB25,000,000 as of 31 December 2023, 2024 and 2025, respectively, the Company is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The debt service coverage ratio should be no less than 5 times.

In respect of a bank loan of Shanghai KaiChong with carrying amount of RMB10,000,000 as of 31 December 2025, Shanghai KaiChong is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The total amount of external guarantees should not exceed one time than net assets.

In respect of a bank loan of Shanghai KaiChong with carrying amount of RMB5,000,000 as of 31 December 2025, Shanghai KaiChong is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The net assets should maintain positive all the time.

28. LEASE LIABILITIES

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	21,243	9,546	8,631
Within a period of more than one year but not exceeding two years	10,209	3,997	5,934
Within a period of more than two years but not exceeding five years	2,010	1,363	853
	33,462	14,906	15,418
Less: Amounts due for settlement within 12 months shown under current liabilities	(21,243)	(9,546)	(8,631)
Amounts due for settlement after 12 months shown under non-current liabilities	12,219	5,360	6,787

The weighted average incremental borrowing rate applied to lease liabilities was 4.26%, 3.89% and 3.63% per annum for the years ended 31 December 2023, 2024 and 2025, respectively.

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	15,665	6,585	6,010
Within a period of more than one year but not exceeding two years	7,175	2,425	3,828
Within a period of more than two years but not exceeding five years	—	1,363	—
	22,840	10,373	9,838
Less: Amounts due for settlement within 12 months shown under current liabilities	(15,665)	(6,585)	(6,010)
Amounts due for settlement after 12 months shown under non-current liabilities	7,175	3,788	3,828

The weighted average incremental borrowing rate applied to lease liabilities was 4.26%, 3.99% and 3.67% per annum for the years ended 31 December 2023, 2024 and 2025.

29. CONTRACT LIABILITIES

The Group

	At 1 January	At 31 December		
	2023	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts received in advance	25,604	24,715	18,704	22,548

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sales of products	9,102	11,097	9,119

The Company

	At 1 January 2023	At 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts received in advance	19,961	19,066	16,323	10,686

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of products	3,457	5,449	6,971

30. SHARE CAPITAL OF THE COMPANY

All shares issued by the Company are fully paid domestic shares. The par value is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Number of *shares* '000	Authorised *share capital* RMB'000
Issued and fully paid:		
At 1 January 2023 (note iii)	100,181	100,181
Repurchase of shares (note i)	(3,371)	(3,371)
At 31 December 2023	96,810	96,810
Repurchase of shares (note ii)	(2,562)	(2,562)
At 31 December 2024 and 2025	94,248	94,248

Notes:

(i) On 23 October, 2023, the Company repurchased 880,000 shares of Ningbo Zhixin Investment Management Partnership (Limited Partnership)* (寧波致信投資管理合夥企業(有限合夥)) and 2,491,000 shares of Ningbo Meishan Bonded Port Area Jiayun Investment Management Company Limited* (寧波梅山保税港區佳贇投資管理有限責任公司) which reduced authorised share capital by RMB3,371,000.

(ii) On 17 July, 2024, the Company repurchased 2,562,000 shares of Orient Securities Co., Ltd.* (東方證券股份有限公司) which reduced authorised share capital by RMB2,562,000.

* *English name is for identification purpose*

(iii) Share capital, including those investment sum received from all [REDACTED] Investors, were all equity instruments in nature. Although there were special rights granted to some of these [REDACTED] Investors, all obligations of such special rights were attached to the Controlling Shareholders, and the Company, in all circumstances, was not a contractual party and was not subject to any liabilities under such special rights. All special rights had been terminated on 27 April 2021, which was prior to the Track Record Period. The management represented that there were no guarantees by the Company in respect of the redemption right previously granted by the Controlling Shareholder to the [REDACTED] Investors and accordingly, no financial liability regarding such redemption right was recognised during the Track Record Period. Further details of the special rights and termination arrangement were disclosed in point 3 "Special Rights granted to the [REDACTED] Investors" of the section headed "[REDACTED] Investments" under "History, Development and Corporate Structure" in the Document.

31. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those 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.

	Borrowings	Lease liabilities	Dividends payables	Accrued issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	207,384	19,322	—	—	226,706
Financing cash flows	(26,199)	(24,678)	(193)	—	(51,070)
Dividend declared	—	—	193	—	193
Interest expenses	8,748	1,026	—	—	9,774
New leases entered	—	37,792	—	—	37,792
At 31 December 2023	189,933	33,462	—	—	223,395
Financing cash flows	(18,646)	(16,348)	(28,531)	—	(63,525)
Dividend declared	—	—	28,531	—	28,531
Interest expenses	6,690	844	—	—	7,534
New leases entered	—	13,956	—	—	13,956
Termination of lease	—	(17,008)	—	—	(17,008)
At 31 December 2024	177,977	14,906	—	—	192,883
Financing cash flows	(4,762)	(9,815)	(37,699)	(1,570)	(53,846)
Dividend declared	—	—	37,699	—	37,699
Interest expenses	6,377	462	—	—	6,839
New leases entered	—	13,581	—	—	13,581
Deferred issue costs	—	—	—	2,272	2,272
Termination of lease	—	(3,716)	—	—	(3,716)
At 31 December 2025	179,592	15,418	—	702	195,712

32. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share incentive scheme (the "Share Incentive Scheme") was adopted for the primary purpose of establishing and improving a long-term incentive mechanism for the Company, to attract and retain talented individuals (the "eligible grantees"), and to effectively align the interests of shareholders, the company, and the core team members. Under this scheme, the eligible grantees can subscribe for partnership interest of the employee stock ownership platform (the "ESOP") established solely for the implementation of the scheme.

In November 2019, the Share Incentive Scheme was adopt through Kaiao (Shanghai) Business Consulting Centre (Limited Partnership)* (凱嶴(上海)商務諮詢中心(有限合夥)) ("Kaiao"). In December 2019, August 2020 and June 2022, 279,000 shares, 330,000 shares and 129,000 shares of the Company were approved by the board of the Company and granted to certain eligible grantees through Kaiao with certain vesting conditions as stipulated in the scheme, respectively. The fair value of the shares awarded was determined based on the recent transaction price. During the Track Record Period, no expense in relation to the above-mentioned shares granted was recognised as the probability of fulfillment of the vesting conditions have not yet become probable as of end of each reporting periods.

33. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the Mainland China, the employees of the Group based in the Mainland China participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the Mainland China under which the Group and the relevant employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired Mainland-China-based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans are recognised as employee benefit charged to profit or loss and capitalised where applicable.

The total cost charged to profit or loss in respect of the above-mentioned schemes amounted to approximately RMB22,421,000, RMB21,628,000, and RMB21,808,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes bank borrowings and lease liabilities disclosed in Notes 27 and 28, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and non-controlling interests.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortised cost	609,709	613,340	627,940
Financial assets at FVTPL	116,510	152,700	149,052
Equity instruments at FVTOCI	1,782	1,800	—
	728,001	767,840	776,992
Financial liabilities			
Amortised cost	386,438	440,513	378,657

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortised cost	822,369	769,343	735,028
Financial assets at FVTPL	77,100	68,100	77,623
	899,469	837,443	812,651
Financial liabilities			
Amortised cost	541,134	489,248	462,481

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, other non-current assets, financial assets at FVTPL, equity instruments at FVTOCI, restricted bank deposits, time deposits, cash and cash equivalents, trade, bills and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Certain subsidiaries of the Company have foreign currency sales, purchase and bank balances, which expose the Group to foreign currency risk. Certain of the Group's cash and cash equivalents, time deposits, trade and other receivables, bank borrowings and trade and other payables are denominated in currencies other than the functional currency of the relevant group entities and expose to such foreign currency risk. The carrying amounts of relevant group entities' foreign currency denominated monetary assets and liabilities other than their functional currency are disclosed in the respective notes.

The carrying amounts of the Group's major foreign currency denominated monetary assets and liabilities as of 31 December 2023, 2024 and 2025 are as follows:

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Assets			
EUR	2,170	4,530	6,578
US$	92,550	103,154	105,006
HK$	25,206	6,734	9,548
GBP	926	—	—
AUD	3,021	4,635	5,560
JPY	9,976	10,431	12,351
Liabilities			
US$	4,728	6,171	20,171
GBP	—	1,401	—
JPY	6,010	560	34,995
HK$	24	798	2,620
EUR	219	184	1,902

The Group entered into foreign exchange swap contracts to eliminate the currency exposures of bank borrowings amounting to RMB25,000,000 (equivalent to US$1,384,000 and JPY306,122,000) as of 31 December 2025.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies for each of the 3 years in the Track Record Period without hedging foreign currency risk. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in post-tax profit where RMB strengthens 5% against foreign currencies, while a positive number indicates an increase in post-tax profit where RMB strengthens 5% against foreign currencies. For a 5% weakening of foreign currencies for each of the 3 years in the Track Record Period against the relevant currency, there would be an equal and opposite impact on profit or loss.

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impact on profit or loss:			
EUR	(73)	(163)	(175)
US$	(3,293)	(3,637)	(3,181)
HK$	(944)	(223)	(260)
GBP	(35)	53	—
AUD	(113)	(174)	(209)
JPY	(149)	(370)	849

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to time deposits, fixed-rate bank borrowings and lease liabilities, (details are set out in Notes 25, 27 and 28, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, restricted bank deposits and bank borrowings.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by loan prime rate (LPR).

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents, restricted bank deposits and time deposits are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant. If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's and the Company post-tax profit for the year would decrease/(increase) by the following magnitude:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Decrease in profit for the year	480	308	484

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Decrease in profit for the year	405	225	372

Other price risk

The Group is exposed to other price risk through its equity instruments measured at FVTOCI.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity price risk at the reporting date.

If the price of the equity instruments at FVTOCI had been 10% higher/lower, the post-tax other comprehensive income for the years ended 31 December 2023, 2024 and 2025 would increase/decrease by RMB134,000, RMB135,000 and nil, respectively, as a result of the changes in fair value of the equity instruments at FVTOCI.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, restricted bank deposits, time deposits, cash and cash equivalents and other non-current assets.

The Group performed impairment assessment for financial assets under ECL model. The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subjected to ECL assessment:

The Group

As of 31 December 2023	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables	22	Lifetime ECL	1.25%	75,917
Other receivables/ other non-current assets	22	12m ECL	1.43%	247,370
Restricted bank deposits	25	12m ECL	Insignificant	4,157
Cash and cash equivalents	25	12m ECL	Insignificant	286,747

As of 31 December 2024	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables	22	Lifetime ECL	1.41%	55,519
Other receivables/ other non-current assets	22	12m ECL	1.14%	311,202
Time deposits	25	12m ECL	Insignificant	14,377
Restricted bank deposits	25	12m ECL	Insignificant	7,818
Cash and cash equivalents	25	12m ECL	Insignificant	228,756

As of 31 December 2025	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables	22	Lifetime ECL	1.59%	52,092
Other receivables/ other non-current assets	22	12m ECL	0.84%	300,380
Time deposits	25	12m ECL	Insignificant	21,086
Restricted bank deposits	25	12m ECL	Insignificant	8,827
Cash and cash equivalents	25	12m ECL	Insignificant	248,915

The Company

As of 31 December 2023	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables				
- Third parties	22	Lifetime ECL	0.27%	48,749
- Subsidiaries	22	Lifetime ECL	Insignificant	265,840
Other receivables/ other non-current assets	22	12m ECL	0.43%	409,658
Restricted bank deposits	25	12m ECL	Insignificant	4,061
Cash and cash equivalents	25	12m ECL	Insignificant	95,958

As of 31 December 2024	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables				
- Third parties	22	Lifetime ECL	0.54%	27,723
- Subsidiaries	22	Lifetime ECL	Insignificant	332,589
Other receivables/ other non-current assets	22	12m ECL	0.71%	348,129
Restricted bank deposits	25	12m ECL	Insignificant	7,580
Cash and cash equivalents	25	12m ECL	Insignificant	55,937

As of 31 December 2025	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables				
- Third parties	22	Lifetime ECL	0.56%	32,257
- Subsidiaries	22	Lifetime ECL	Insignificant	355,005
Other receivables/ other non-current assets	22	12m ECL	0.54%	289,257
Restricted bank deposits	25	12m ECL	Insignificant	7,802
Cash and cash equivalents	25	12m ECL	Insignificant	52,454

Trade receivables from third parties

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL on trade receivables from third parties. The Group determines the expected credit losses on trade receivables from third parties by using provision matrix, because the customers are all with similar risk characteristics. The following table provides information about the exposure to credit risk for trade receivables from third parties.

The Group

As of 31 December 2023	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.07	71,858	53	71,805
1 year to 2 years	1.88	3,132	59	3,073
2 years to 3 years	31.30	131	41	90
Over 3 years	100.00	796	796	—
		75,917	949	74,968

As of 31 December 2024	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.06	53,256	33	53,223
1 year to 2 years	1.94	1,085	21	1,064
2 years to 3 years	19.96	561	112	449
Over 3 years	100.00	617	617	—
		55,519	783	54,736

As of 31 December 2025	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.05	51,087	26	51,061
1 year to 2 years	1.91	209	4	205
2 years to 3 years	28.12	—*	—*	—*
Over 3 years	100.00	796	796	—
		52,092	826	51,266

* *Amount is less than RMB1,000.*

The Company

As of 31 December 2023	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.08	46,413	35	46,378
1 year to 2 years	1.87	2,191	41	2,150
2 years to 3 years	31.30	131	41	90
Over 3 years	100.00	14	14	—
		48,749	131	48,618

As of 31 December 2024	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.06	26,242	16	26,226
1 year to 2 years	2.03	1,086	22	1,064
2 years to 3 years	19.89	352	70	282
Over 3 years	100.00	43	43	—
		27,723	151	27,572

As of 31 December 2025	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
0 day to 1 year	0.05	32,007	17	31,990
1 year to 2 years	2.25	89	2	87
2 years to 3 years	28.12	—*	—*	—*
Over 3 years	100.00	161	161	—
		32,257	180	32,077

* *Amount is less than RMB1,000.*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

Movement in ECL that has been recognised for trade receivables from third parties:

The Group

	Lifetime ECL — not credit-impaired
	RMB'000
As of 1 January 2023	892
Impairment losses recognised	88
Impairment losses reversed	(31)
As of 31 December 2023	949
Impairment losses recognised	178
Impairment losses reversed	(213)
Write-offs	(131)
As of 31 December 2024	783
Impairment losses recognised	98
Impairment losses reversed	(35)
Write-offs	(20)
As of 31 December 2025	826

The Company

	Lifetime ECL — not credit-impaired
	RMB'000
As of 1 January 2023	55
Impairment losses recognised	76
As of 31 December 2023	131
Impairment losses recognised	20
As of 31 December 2024	151
Impairment losses recognised	29
As of 31 December 2025	180

Amounts due from subsidiaries

The management regularly monitors the business performance of the subsidiaries. During the Track Record Period, the Company assessed the ECL for amounts due from subsidiaries (included in trade receivables) was insignificant and thus no loss allowance was recognised.

Other receivables/other non-current assets

For other receivables and other non-current assets, the management makes periodic individual assessment on the recoverability of other receivables and other non-current assets based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Movement in ECL that has been recognised for other receivables and other non-current assets:
The Group

	12m ECL — not credit-impaired
	RMB'000
As of 1 January 2023	2,623
Impairment losses recognised	1,121
Impairment losses reversed	(211)
As of 31 December 2023	3,533
Impairment losses recognised	1,151
Impairment losses reversed	(947)
Write-offs	(188)
As of 31 December 2024	3,549
Impairment losses recognised	207
Impairment losses reversed	(1,197)
Write-offs	(25)
As of 31 December 2025	2,534

The Company

	12m ECL — not credit-impaired
	RMB'000
As of 1 January 2023	1,482
Impairment losses recognised	284
As of 31 December 2023	1,766
Impairment losses recognised	698
As of 31 December 2024	2,464
Impairment losses reversed	(897)
As of 31 December 2025	1,567

Restricted bank deposits/time deposits/cash and cash equivalents

The restricted bank deposits, time deposits and cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, time deposits and cash and cash equivalents is limited because the counterparties ae reputable banks or e-commerce platforms and the risk of inability to pay or redeem at the due date is low.

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual gross (inflows) and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's and the Company's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group and the Company considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

The Group

At 31 December 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	—	195,543	—	—	195,543	195,543
Amounts due to related parties	—	962	—	—	962	962
Fixed borrowings	3.72	125,944	—	—	125,944	125,944
Variable-rate borrowings	3.68	63,989	—	—	63,989	63,989
Lease liabilities	4.26	22,129	10,471	2,042	34,642	33,462
		408,567	10,471	2,042	421,080	419,900

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	261,894	—	—	261,894	261,894
Amounts due to related parties	—	642	—	—	642	642
Fixed borrowings	3.34	136,960	—	—	136,960	136,960
Variable-rate borrowings	3.32	41,017	—	—	41,017	41,017
Lease liabilities	3.89	9,848	4,178	1,370	15,396	14,906
		450,361	4,178	1,370	455,909	455,419

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	198,423	—	—	198,423	198,423
Amounts due to related parties	—	642	—	—	642	642
Fixed borrowings	2.69	116,380	—	—	116,380	115,023
Variable-rate borrowings	2.61	65,185	—	—	65,185	64,569
Lease liabilities	3.63	9,031	6,038	868	15,937	15,418
		389,661	6,038	868	396,567	394,075
Derivatives - gross settlement						
Foreign exchange swap contracts						
- inflow		(25,000)	—	—	(25,000)	(25,000)
- outflow		25,000	—	—	25,000	25,000
		—	—	—	—	—

The Company

At 31 December 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	—	164,800	—	—	164,800	164,800
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	195,759	—	—	195,759	195,759
Fixed borrowings	3.72	125,944	—	—	125,944	125,944
Variable-rate borrowings	3.71	53,989	—	—	53,989	53,989
Lease liabilities	4.26	16,241	7,306	—	23,547	22,840
		557,375	7,306	—	564,681	563,974

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	—	228,279	—	—	228,279	228,279
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	93,850	—	—	93,850	93,850
Fixed borrowings	3.34	136,464	—	—	136,464	136,464
Variable-rate borrowings	3.35	30,013	—	—	30,013	30,013
Lease liabilities	3.89	6,801	2,512	1,370	10,683	10,373
		496,049	2,512	1,370	499,931	499,621

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	—	172,387	—	—	172,387	172,387
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	129,860	—	—	129,860	129,860
Fixed borrowings	2.70	111,350	—	—	111,350	110,023
Variable-rate borrowings	2.60	50,002	—	—	50,002	49,569
Lease liabilities	3.67	6,258	3,868	—	10,126	9,838
		470,499	3,868	—	474,367	472,319
Derivatives - gross settlement						
Foreign exchange swap contracts						
- inflow		(25,000)	—	—	(25,000)	(25,000)
- outflow		25,000	—	—	25,000	25,000
		—	—	—	—	—

Fair value measurements of financial instruments

(i) Fair value of the Group's and the Company's financial assets that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

Financial assets	**As of 31 December**			**Fair value hierarchy**	**Valuation technique and key input**	**Significant unobservable inputs**
	2023	**2024**	**2025**			
	RMB'000	*RMB'000*	*RMB'000*			
Financial assets at FVTPL- wealth management products	116,510	152,700	147,499	Level 2	Discounted cash flows method, estimated based on expected return in the available market	N/A
Financial assets at FVTPL-foreign exchange swap contracts	—	—	1,553	Level 2	Discounted cash flow-Future cash flows are estimated based on observable forward exchange rates and contracted forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Equity instruments at FVTOCI	1,782	1,800	—	Level 3	Market approach from comparable companies analysis and option pricing model ("OPM")	Discount of lack of marketability ("DLOM")

Sensitivity analysis

Fair value of equity instruments at FVTOCI is affected by changes in the DLOM. An increase in the DLOM used in isolation would result in an decrease in the fair value measurement of the equity instruments at FVTOCI, and vice versa. If the DLOM had increased/decreased by 10% with other variables held constant, the carrying amount of the equity instruments at FVTOCI as of 31 December 2023, 2024 and 2025 would have been decreased/increased by approximately RMB185,000, RMB194,000 and nil, respectively.

The Company

Financial assets	As of 31 December 2023	2024	2025	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs
	RMB'000	*RMB'000*	*RMB'000*			
Financial assets at FVTPL- wealth management products	77,100	68,100	76,070	Level 2	Discounted cash flows method, estimated based on expected return in the available market	N/A
Financial assets at FVTPL-foreign exchange swap contracts	—	—	1,553	Level 2	Discounted cash flow-Future cash flows are estimated based on observable forward exchange rates and contracted forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A

(ii) Reconciliation of level 3 fair value measurements

The Group

	Equity instruments at FVTOCI
	RMB'000
At 1 January 2023	1,271
Changes in fair value recognised in	
- other comprehensive income	511
At 31 December 2023	1,782
Changes in fair value recognised in	
- other comprehensive income	18
At 31 December 2024	1,800
Changes in fair value recognised in	
- other comprehensive income	(712)
Disposals	(1,088)
At 31 December 2025	—

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

36. RELATED PARTY DISCLOSURES

During the Track Record Period, the Group has the following related party transactions and balances.

(a) Related party transactions

i. Purchase of goods and services

	Relationship	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Shanghai Yirui	(note)	1,308	1,370	4,817
		1,308	1,370	4,817

(b) Related party balances

i. Amounts due to related parties

The Group — trade related

	Relationship	At 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Shanghai Yirui	(note)	320	—	—
Shanghai Weijie	(note)	642	642	642
		962	642	642

The Company — trade related

	Relationship	At 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Shanghai Weijie	(note)	642	642	642

These amounts mentioned above are included in the Group's trade, bills and other payables as set out in Note 26.

ii. Amounts due from subsidiaries

The Company — trade related

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	265,840	332,589	355,005

The Company — non-trade related

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other receivables	255,634	130,224	104,804

These amounts mentioned above are included in the Group's trade and other receivables as set out in Note 22.

Amounts due from subsidiaries with non-trade nature are unsecured, carried at interest rate of 1.00%-5.00% per annum and repayable on demand.

iii. Amounts due to subsidiaries

The Company — trade related

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	193,098	89,630	116,709

The Company — non-trade related

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other payables	2,661	4,220	13,171

These amounts mentioned above are included in the Group's trade and other payables as set out in Note 26.

Amounts due to subsidiaries with non-trade nature are unsecured, interest free and payable on demand.

Note: The entity was an associate of the Group.

Compensation of key management personnel

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	11,512	12,302	12,463
Retirement benefits scheme contributions	452	532	513
Discretionary performance related bonus	7,193	7,005	7,147
	19,157	19,839	20,123

The remuneration of key management personnel (being Chairman and director of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

Saved as disclosed elsewhere in this report, the Group and the Company has no other related party balances and transactions during the Track Record Period.

37. INVESTMENT IN SUBSIDIARIES

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, unlisted	99,184	99,184	101,254

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place of incorporation	Date of incorporation	Registered capital	Attributable equity interests held by the Company At 31 December 2023	2024	2025	At the date of this report	Principal activities	Notes
Directly held									
Xingkai Business Consulting (Shanghai) Co., Ltd.* (幸凱(上海)營銷諮詢有限公司)	Mainland China	January 6, 2014	RMB5,000,000	100%	100%	100%	[100%]	Business services	i and ii
Shanghai Qiaokai Network Technology Co., Ltd.* (上海殼凱網絡科技有限公司)	Mainland China	February 25, 2014	RMB3,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Keying (HK) E-Commerce Co., Limited* (凱詰(香港)電子商務有限公司)	Hong Kong	April 4, 2014	US$1,999,400	100%	100%	100%	[100%]	Provide comprehensive cross-border e-commerce services for brands.	ii and v
Shanghai Kaichong	Mainland China	April 28, 2017	RMB5,000,000	100%	100%	100%	[100%]	Business services	i and ii
Monster (Shanghai) Network Technology Co., Ltd.* (蒙偲特(上海)網絡科技有限公司)	Mainland China	May 29, 2018	RMB5,000,000	100%	100%	100%	[100%]	Software and information technology services	i and ii
Jiangsu Kaijie	Mainland China	July 18, 2019	RMB50,000,000	100%	100%	100%	[100%]	Internet and related services	i and ii
Zhejiang Jiaxing Kaijie Warehousing Service Co., Ltd.* (浙江嘉興凱詰倉儲服務有限公司)	Mainland China	February 11, 2020	RMB5,000,000	100%	100%	100%	[100%]	Loading, unloading, handling and warehousing industry	i and ii
Chang'an (Shanghai) Network Technology Co., Ltd.* (常鞍(上海)網絡科技有限公司)	Mainland China	May 29, 2020	RMB1,000,000	100%	100%	100%	[100%]	Professional technical services	i and ii
Xingzhe (Shanghai) Network Technology Co., Ltd.* (星哲(上海)網絡科技有限公司)	Mainland China	June 2, 2020	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Kaimiao (Shanghai) Ecommerce Co., Ltd.* (凱喵(上海)電子商務有限公司)	Mainland China	October 22, 2020	RMB2,000,000	100%	100%	100%	[100%]	Wholesale industry	i and ii
Changkang (Shanghai) Network Technology Co., Ltd.* (常康(上海)網絡科技有限公司)	Mainland China	April 19, 2021	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Shanghai Jiakai	Mainland China	June 27, 2021	RMB10,000,000	55%	55%	73%	[73%]	Science and technology promotion and application services	i and ii
Shanghai Magkey	Mainland China	December 1, 2022	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	ii and iii

Name of subsidiaries	Place of incorporation	Date of incorporation	Registered capital	Attributable equity interests held by the Company At 31 December 2023	2024	2025	At the date of this report	Principal activities	Notes
Shanghai Lipu Cultural Communication Ltd.* (上海麗鋪文化傳播有限公司)	Mainland China	March 16, 2023	RMB5,000,000	51%	51%	51%	[51%]	Business services	i, ii and iv
Indirectly held									
KNC E - COMMERCE LLC	The U.S.	May 5, 2014	USD1,500,000	95%	95%	95%	[95%]	Provide comprehensive cross-border e-commerce services for brands.	i and ii
Shanghai Kaituo Ecommerce Co., Ltd.* (上海凱拓電子商務有限公司)	Mainland China	August 10, 2018	RMB2,000,000	100%	100%	100%	[100%]	Business services	i and ii
Xingkai (Changzhou) Network Technology Ltd.* Co., (幸凱(常州)網絡科技有限公司)	Mainland China	August 2, 2019	RMB2,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Keying (JP) Co., Ltd.* (凱詰株式會社)	Japan	May 27, 2020	JPY270,000,000	100%	100%	100%	[100%]	Provide comprehensive cross-border e-commerce services for brands.	i and ii
Shanghai Kaihe	Mainland China	November 13, 2020	RMB1,000,000	75%	75%	100%	[100%]	Wholesale industry	i and ii
Shanghai Kaihan	Mainland China	January 26, 2021	RMB2,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Beijing Kaijing Ecommerce Co., Ltd.* (北京凱京電子商務有限公司)	Mainland China	April 9, 2021	RMB2,000,000	100%	100%	100%	[100%]	Retail industry	i and ii
Changzhou Jinshen	Mainland China	April 19, 2021	RMB5,000,000	51%	51%	51%	[51%]	Business services	i and ii
Chengdu Kaicheng Network Technology Co., Ltd.* (成都開誠網絡科技有限公司)	Mainland China	July 30, 2021	RMB2,000,000	100%	100%	100%	[100%]	Internet and related services	i and ii
JOJO (HK) E-Commerce Limited* (久久(香港)電子商務有限公司)	Hong Kong	March 20, 2023	RMB5,000,000	51%	51%	51%	[51%]	Provide comprehensive cross-border e-commerce services for brands.	ii, iv and v
Kaiming (Shanghai) Network Technology Co., Ltd. * (凱明(上海)網路科技有限公司)	Mainland China	February 28, 2024	RMB1,000,000	N/A	100%	100%	[100%]	Science and technology promotion and application services	i, ii and iv
Keysing Pte. Ltd.	Singapore	September 28, 2024	SGD450,000	N/A	100%	100%	[100%]	Retail and distribution services	i, ii and iv
Keyvida Europe SL	Spain	April 24, 2025	EUR650,000	N/A	N/A	100%	[100%]	Retail and distribution services	ii and iv

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

Notes:

(i) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024, if applicable, have not been issued as of the date of this report.

(ii) The statutory financial statements of these entities for the year ended 31 December 2025 have not been issued as of the date of this report.

(iii) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by Reanda Certified Public Accountants LLP Shanghai Office* (利安達會計師事務所(特殊普通合夥)上海分所), a certified public accountant registered in the PRC.

(iv) These subsidiaries were established during the Track Record Period.

(v) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with HKFRS Accounting Standards and were audited by H K WAN CPA & Co* (溫漢球會計師事務所), a certified public accountant registered in Hong Kong.

* English name is for identification purpose

39. MOVEMENTS OF THE COMPANY'S RESERVES

	Share premium	FVTOCI reserve	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	98,392	(1,508)	35,769	455,310	587,963
Profit and total comprehensive income for the year	—	—	—	44,505	44,505
Repurchase of shares	(32,183)	—	—	—	(32,183)
Transferred to statutory reserve	—	—	4,450	(4,450)	—
At 31 December 2023	66,209	(1,508)	40,219	495,365	600,285
Profit and total comprehensive income for the year	—	—	—	30,814	30,814
Dividends recognised as distribution	—	—	—	(28,531)	(28,531)
Repurchase of shares	(15,368)	—	—	—	(15,368)
Transferred to statutory reserve	—	—	3,081	(3,081)	—
At 31 December 2024	50,841	(1,508)	43,300	494,567	587,200
Profit and total comprehensive income for the year	—	66	—	27,035	27,101
Dividends recognised as distribution	—	—	—	(37,699)	(37,699)
Disposal of investments in equity instruments at FVTOCI	—	1,442	—	(1,442)	—
Transferred to statutory reserve	—	—	2,703	(2,703)	—
At 31 December 2025	50,841	—	46,003	479,758	576,602

40. SUBSEQUENT EVENTS

Saved as disclosed in the report, subsequent to the end of the Track Record Period, the following significant events took place:

At the board meeting held on 22 May 2026, a dividend of RMB0.1 per share totalling RMB9,425,000 in respect of the year ended 31 December 2025 was approved by the directors and will be subsequently submitted to the shareholders' meeting for resolution.

[●]

41. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 December 2025 and up to the date of this report.]