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

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

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YANGTUO HOLDINGS INC. AND BOCOM INTERNATIONAL (ASIA) LIMITED

Introduction

We report on the historical financial information of Yangtuo Holdings Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-4] to [I-87], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-4] to [I-87] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the "**Document**") in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

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

Adjustments

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

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[•]
Certified Public Accountants
Hong Kong
[REDACTED]

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	5	1,066,785	1,032,399	1,400,990
Cost of sales		(665,325)	(697,094)	(1,036,107)
Gross profit		401,460	335,305	364,883
Other income and gains	5	39,850	32,471	14,913
Selling and distribution expenses		(309,470)	(255,846)	(255,365)
Administrative expenses		(59,407)	(71,225)	(306,598)
Research and development expenses		(35,335)	(33,585)	(21,849)
Other expenses	5	(20,024)	(6,693)	(4,595)
Finance costs	7	(466)	(2,964)	(1,746)
Fair value loss on convertible redeemable preferred shares	27	(72,989)	(76,183)	(147,776)
Share of loss of an associate		(53)	(106)	(139)
LOSS BEFORE TAX	6	(56,434)	(78,826)	(358,272)
Income tax credit/(expense)	10	(106)	1	(419)
LOSS FOR THE YEAR		(56,540)	(78,825)	(358,691)
Attributable to:				
Owners of the parent		(52,131)	(78,403)	(358,129)
Non-controlling interests		(4,409)	(422)	(562)
		(56,540)	(78,825)	(358,691)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12			
Basic *(RMB yuan)*		(0.61)	(1.18)	(4.81)
Diluted *(RMB yuan)*		(0.61)	(1.18)	(4.81)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
LOSS FOR THE YEAR	(56,540)	(78,825)	(358,691)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations	6,568	3,765	(9,704)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value	(706)	(445)	(938)
Exchange differences:			
Exchange differences on translation of the Company's financial statements	(37,153)	(36,749)	57,760
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(37,859)	(37,194)	56,822
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX	(31,291)	(33,429)	47,118
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(87,831)	(112,254)	(311,573)
Attributable to:			
Owners of the parent	(83,422)	(111,832)	(311,011)
Non-controlling interests	(4,409)	(422)	(562)
	(87,831)	(112,254)	(311,573)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	13	1,366	380	16,455
Right-of-use assets	14(a)	5,545	1,386	13,050
Other intangible assets	15	5,427	4,478	3,490
Investment in an associate	17	18,650	18,544	18,405
Equity investments designated at fair value through other comprehensive income	18	2,294	1,849	911
Time deposits	23	92,080	104,583	—
Total non-current assets		125,362	131,220	52,311
CURRENT ASSETS				
Inventories	19	46,826	74,737	52,370
Trade receivables	20	6,028	13,535	4,671
Prepayments, deposits and other receivables	21	118,397	127,488	153,758
Financial assets at fair value through profit or loss	22	25,458	46,092	—
Derivative financial instruments	26	1,734	—	—
Pledged and time deposits	23	148,372	33,263	11,728
Restricted cash	23	7,680	4,942	154,053
Cash and cash equivalents	23	388,274	368,461	165,102
Total current assets		742,769	668,518	541,682
CURRENT LIABILITIES				
Trade payables	24	13,773	14,645	10,948
Other payables and accruals	25	345,728	247,983	224,756
Derivative financial instruments	26	2,016	—	—
Convertible redeemable preferred shares	27	2,366,843	2,399,990	2,323,429
Interest-bearing bank borrowings	28	2,199	137,162	96,500
Lease liabilities	14(b)	4,594	1,146	—
Due to related parties	36(b)	49,177	—	73
Tax payable		—	—	159
Total current liabilities		2,784,330	2,800,926	2,655,865
NET CURRENT LIABILITIES		(2,041,561)	(2,132,408)	(2,114,183)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,916,199)	(2,001,188)	(2,061,872)

		As at 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	1,146	—	13,235
Total non-current liabilities		1,146	—	13,235
Net liabilities		(1,917,345)	(2,001,188)	(2,075,107)
EQUITY				
Equity attributable to owners of the parent				
Share capital	30	63	63	63
Shares held for share incentive scheme	30	(99,808)	(99,808)	(52,001)
Reserves	32	(1,818,027)	(1,901,448)	(2,022,612)
		(1,917,772)	(2,001,193)	(2,074,550)
Non-controlling interests		427	5	(557)
Deficiency in assets		(1,917,345)	(2,001,188)	(2,075,107)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent										
	Share capital	Shares held for share incentive scheme	Share premium*	Share option and share award reserve*	Other capital reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000 (*note 30*)	*RMB'000* (*note 30*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	63	—	44,148	21,601	8,934	—	(84,141)	(1,727,999)	(1,737,394)	4,836	(1,732,558)
Loss for the year	—	—	—	—	—	—	—	(52,131)	(52,131)	(4,409)	(56,540)
Other comprehensive loss for the year:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	—	(706)	—	—	(706)	—	(706)
Exchange differences on translation	—	—	—	—	—	—	(30,585)	—	(30,585)	—	(30,585)
Total comprehensive loss for the year	—	—	—	—	—	(706)	(30,585)	(52,131)	(83,422)	(4,409)	(87,831)
Shares repurchased	—	(99,808)	—	—	—	—	—	—	(99,808)	—	(99,808)
Equity-settled share option arrangements	—	—	—	2,852	—	—	—	—	2,852	—	2,852
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(2,597)	—	—	—	2,597	—	—	—
At 31 December 2023	63	(99,808)	44,148	21,856	8,934	(706)	(114,726)	(1,777,533)	(1,917,772)	427	(1,917,345)

Year ended 31 December 2024

	Attributable to owners of the parent										
	Share capital	Shares held for share incentive scheme	Share premium*	Share option and share award reserve*	Other capital reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000 (*note 30*)	*RMB'000* (*note 30*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000* (*note 32*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	63	(99,808)	44,148	21,856	8,934	(706)	(114,726)	(1,777,533)	(1,917,772)	427	(1,917,345)
Loss for the year	—	—	—	—	—	—	—	(78,403)	(78,403)	(422)	(78,825)
Other comprehensive loss for the year:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	—	(445)	—	—	(445)	—	(445)
Exchange differences on translation	—	—	—	—	—	—	(32,984)	—	(32,984)	—	(32,984)
Total comprehensive loss for the year	—	—	—	—	—	(445)	(32,984)	(78,403)	(111,832)	(422)	(112,254)
Equity-settled share option arrangements	—	—	—	28,411	—	—	—	—	28,411	—	28,411
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(1,600)	—	—	—	1,600	—	—	—
At 31 December 2024	63	(99,808)	44,148	48,667	8,934	(1,151)	(147,710)	(1,854,336)	(2,001,193)	5	(2,001,188)

Year ended 31 December 2025

	Attributable to owners of the parent										
	Share capital	Shares held for share incentive scheme	Share premium*	Share option and share award reserve*	Other capital reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 30)	*(note 30)*	*(note 32)*	*(note 32)*	*(note 32)*						
At 1 January 2025	63	(99,808)	44,148	48,667	8,934	(1,151)	(147,710)	(1,854,336)	(2,001,193)	5	(2,001,188)
Loss for the year	—	—	—	—	—	—	—	(358,129)	(358,129)	(562)	(358,691)
Other comprehensive income/(loss) for the year:											
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	—	(938)	—	—	(938)	—	(938)
Exchange differences on translation	—	—	—	—	—	—	48,056	—	48,056	—	48,056
Total comprehensive income/(loss) for the year	—	—	—	—	—	(938)	48,056	(358,129)	(311,011)	(562)	(311,573)
Transfer of vested awarded shares to awardees	—	47,807	106,867	(154,674)	—	—	—	—	—	—	—
Equity-settled share incentive arrangements	—	—	—	237,654	—	—	—	—	237,654	—	237,654
Transfer of share option reserve upon the forfeiture or expiry of share options	—	—	—	(7,152)	—	—	—	7,152	—	—	—
At 31 December 2025	63	(52,001)	151,015	124,495	8,934	(2,089)	(99,654)	(2,205,313)	(2,074,550)	(557)	(2,075,107)

* These reserve accounts comprise the consolidated negative reserves of RMB1,818,027,000, RMB1,901,448,000 and RMB2,022,612,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(56,434)	(78,826)	(358,272)
Adjustments for:				
Finance costs	7	466	2,964	1,746
Share of loss of an associate		53	106	139
Bank interest income	5	(9,025)	(7,504)	(1,894)
Investment income, net	6	(15,116)	(11,005)	(1,149)
Gain on disposal of items of property, plant and equipment	5	(495)	—	(167)
Gain on lease modification	14(c)	(156)	—	—
Fair value gain on financial assets at fair value through profit or loss	6	(178)	(1,092)	—
Changes in fair value of convertible redeemable preferred shares	27	72,989	76,183	147,776
Depreciation of property, plant and equipment	13	2,200	1,038	465
Depreciation of right-of-use assets	14(a)	6,207	4,159	1,495
Amortisation of other intangible assets	15	2,734	1,012	988
Impairment of other intangible assets	15	11,437	—	—
Write-down of inventories to net realisable value		876	2,818	2,029
Impairment/(reversal of impairment loss) of trade receivables, net	20	4	69	(64)
Impairment of other receivables, net	21	1,171	1,374	3,547
Equity-settled share-based payments		2,852	28,411	237,654
Foreign exchange differences, net		4,633	939	(4,306)
		24,218	20,646	29,987

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Decrease/(increase) in inventories		11,765	(30,729)	20,338
Decrease/(increase) in trade receivables		(2,840)	(7,576)	8,928
Decrease/(increase) in prepayments, deposits and other receivables		15,316	(10,465)	(29,817)
Decrease/(increase) in restricted cash		158,090	2,738	(149,111)
Increase/(decrease) in trade payables		(26,836)	872	(3,697)
Decrease in other payables and accruals		(194,645)	(95,284)	(20,924)
Increase in due to a related party		—	—	73
Cash used in operations		(14,932)	(119,798)	(144,223)
Bank interest received		9,025	7,504	1,894
Income tax refund/(paid)		(106)	1	(260)
Net cash flows used in operating activities		(6,013)	(112,293)	(142,589)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	13	(94)	(52)	(16,540)
Proceeds from disposal of items of property, plant and equipment		724	—	167
Additions to other intangible assets	15	(1,052)	(63)	—
Repayment of loans to an associate		273	—	—
Purchases of financial assets at fair value through profit or loss		(419,658)	(357,479)	—
Disposal of financial assets at fair value through profit or loss		578,454	337,480	45,000
Purchases of equity investments designated at fair value through other comprehensive income		(3,000)	—	—
Placement of pledged deposits		(1,032,352)	(104,195)	(6)
Withdrawal of pledged deposits		1,111,925	176,690	—
Placement of time deposits		(172,266)	(40,000)	—
Withdrawal of time deposits		40,000	92,036	110,000
Investment income received		11,080	11,618	7,607
Net cash flows from investing activities		114,034	116,035	146,228

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES				
Repurchases of ordinary shares		(50,631)	(49,177)	—
Repurchases of preferred shares	27	—	(78,122)	(172,364)
Proceeds from advance payment for exercise of share options		130	93	126
Repayment of advance payment for exercise of share options		—	(2,554)	(2,429)
New bank loans		1,000	137,140	158,500
Repayment of bank loans		—	(2,195)	(199,140)
Placement of pledged deposits		—	(22,363)	(11,605)
Withdrawal of pledged deposits		—	—	22,363
Principal portion of lease liabilities		(6,069)	(4,594)	(1,146)
Interest paid		(463)	(2,946)	(1,692)
Net cash flows used in financing activities		(56,033)	(24,718)	(207,387)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		51,988	(20,976)	(203,748)
Cash and cash equivalents at beginning of year		334,375	388,274	368,461
Effect of foreign exchange rate changes, net		1,911	1,163	389
CASH AND CASH EQUIVALENTS AT END OF YEAR		388,274	368,461	165,102
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	23	388,274	368,461	165,102
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows		388,274	368,461	165,102

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in subsidiaries	16	1,045,082	1,073,493	1,311,147
CURRENT ASSETS				
Prepayments, deposits and other receivables		304	60	60
Due from subsidiaries	36(b)	16,492	14,406	11,184
Cash and cash equivalents	23	641	208	840
Total current assets		17,437	14,674	12,084
CURRENT LIABILITIES				
Convertible redeemable preferred shares	27	2,366,843	2,399,990	2,323,429
Other payables and accruals		4,766	3,738	—
Due to subsidiaries	36(b)	5,391	131,900	304,559
Due to related parties	36(b)	49,177	—	—
Total current liabilities		2,426,177	2,535,628	2,627,988
NET CURRENT LIABILITIES		(2,408,740)	(2,520,954)	(2,615,904)
Net liabilities		(1,363,658)	(1,447,461)	(1,304,757)
EQUITY				
Share capital	30	63	63	63
Shares held for share incentive scheme	30	(99,808)	(99,808)	(52,001)
Reserves	32	(1,263,913)	(1,347,716)	(1,252,819)
Deficiency in assets		(1,363,658)	(1,447,461)	(1,304,757)

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 April 2015. The registered office address is 2nd Floor, Strathvale House, 90 North Church Street, P.O. Box 1103, George Town, Grand Cayman KY1-1102, Cayman Islands.

During the Relevant Periods, the Company and its subsidiaries (together, the "**Group**") were principally involved in the provision of digital marketplace services and the sale of family care and nutrition products in the Chinese mainland.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), and the particulars of the Company's principal subsidiaries are set out below:

Name	Place and date of incorporation/registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Yangtuo Technology (HK) Limited *(note (a))*	Hong Kong 7 May 2015	Hong Kong Dollar ("**HKD**") 1	100%	—	Merchandise sales
Hangzhou HIPAC Internet Technology Co., Ltd.* ("**Hangzhou HIPAC Internet**") *(notes (c) & (d))* *(杭州海拍客網絡科技有限公司)*	People's Republic of China (the "**PRC**")/ Chinese mainland 18 June 2015	United States Dollar ("**USD**") 180,000,000	—	100%	Investment holding
Hangzhou Yangtuo Internet Technology Co., Ltd.* ("**Hangzhou Yangtuo Internet**") *(notes (c) & (e))* (杭州洋駝網絡科技有限公司)	PRC/ Chinese mainland 28 February 2015	RMB1,167,241	—	100%	Digital marketplace services
Hangzhou Hitun Trading Co., Ltd.* ("**Hangzhou Hitun**") *(notes (c) & (e))* (杭州嗨豚貿易有限公司)	PRC/ Chinese mainland 20 September 2018	RMB1,000,000	—	100%	Merchandise sales
Hangzhou Yangtuo Trading Co., Ltd.* *(notes (c) & (e))* (杭州洋駝貿易有限公司)	PRC/ Chinese mainland 18 January 2016	RMB1,000,000	—	100%	Merchandise sales
Hongkong Hiyang Trade Limited *(notes (b) & (e))* (香港嗨洋貿易有限公司)	Hong Kong 12 August 2020	HKD10,000	—	100%	Merchandise sales
Hangzhou Borou Trading Co., Ltd.* *(notes (c) & (e))* (杭州帛柔貿易有限公司)	PRC/ Chinese mainland 31 March 2021	RMB1,000,000	—	100%	Merchandise sales
Hangzhou Yimucao Supply Chain Management Co., Ltd.* *(notes (c) & (e))* (杭州一畝草供應鏈管理有限公司)	PRC/ Chinese mainland 17 July 2018	RMB10,000,000	—	100%	Merchandise sales

Notes:

(a) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard were audited by Uniwin International CPA Limited, certified public accountants registered in Hong Kong.

(b) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard were audited by Uniwin International CPA Limited, certified public accountants registered in Hong Kong.

(c) No audited statutory financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of establishment.

(d) This entity is registered as a wholly-foreign-owned enterprise under PRC law. No audited financial statements have been prepared since the date of incorporation as this entity is not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

(e) These entities are controlled by the Company based on a series of contractual arrangements though the Company does not have any direct or indirect equity interest in these entities. These contractual arrangements have been terminated in June 2025. Details of these contractual arrangements are included in note 2.1 to the Historical Financial Information.

* *The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.*

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

2.1 BASIS OF PRESENTATION

In July 2015, November 2019, September 2021 and November 2022, a wholly-owned subsidiary of the Company, Hangzhou HIPAC Internet, entered into a series of contractual arrangements (the "**2015 Contractual Arrangements**") with Hangzhou Yangtuo Internet and its subsidiaries (the "**Consolidated Affiliated Entities**") and their respective equity holders, through which Hangzhou HIPAC Internet was able to exercise effective control over the Consolidated Affiliated Entities and obtain substantially all economic benefits and returns of the Consolidated Affiliated Entities.

In February 2020, Hangzhou Yangtuo Internet entered into a series of contractual arrangements with (the "**2020 Contractual Arrangements**") Hangzhou Hitun and its then shareholder, through which Hangzhou Yangtuo Internet was able to exercise effective control over Hangzhou Hitun and obtain substantially all economic benefits and returns of Hangzhou Hitun.

Pursuant to the Reorganisation, as more fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" in the Document, the 2015 Contractual Arrangements and 2020 Contractual Arrangements have been terminated in June 2025. The respective equity holders of the Consolidated Affiliated Entities transferred 100% of equity interests in Hangzhou Yangtuo Internet to Hangzhou HIPAC Internet and the shareholder of Hangzhou Hitun transferred 100% of equity interests in Hangzhou Hitun to Hangzhou Yangtuo Internet, upon completion of which, Hangzhou Yangtuo Internet was wholly owned by Hangzhou HIPAC Internet and Hangzhou Hitun was wholly owned by Hangzhou Yangtuo Internet.

The Reorganisation is merely a recapitalisation of the Group's business with no substantive change in the economic substance of the ownership and the Group's business before and after the Reorganisation. Accordingly, the Historical Financial Information has been prepared and presented as a continuation of the financial information of the Group's business prior to the Reorganisation.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted on a consistent basis by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income ("**FVTOCI**"), financial assets at fair value through profit or loss ("**FVTPL**"), derivative financial instruments and convertible redeemable preferred shares which have been measured at fair value.

Going concern assumption

As at 31 December 2025, the Group's net current liabilities and net liabilities amounted to approximately RMB2,114,183,000 and RMB2,075,107,000, respectively, which was mainly due to the convertible redeemable preferred shares of approximately RMB2,323,429,000. As at the approval date of this Historical Financial Information, the Company had reached an agreement with the holders of the convertible redeemable preferred shares that the holders would not exercise their redemption rights to request the Company to repurchase their outstanding preferred shares on or before 31 December 2026. In addition, the Group has been implementing some measures (e.g., developing new products and launching promotional campaigns) to attract new and more customers, secure new and recurring orders, improve its working capital and reduce capital expenditure.

The directors of the Company have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the Relevant Periods. They are of the opinion that, taking into account the above-mentioned measures and the fact that the holders of the preferred shares would not exercise redemption rights on or before 31 December 2026, the Group will have sufficient working capital to finance its operations and meet its financial obligations for at least 12 months from the end of the Relevant Periods.

Accordingly, the Historical Financial Information has been prepared on a basis that the Group will be able to continue as a going concern.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

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

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

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and disclosures (including the management-defined performance measures) in the future financial information. The Group will continue to assess the impact of HKFRS 18 on the Group's financial information. So far, the Group considers that other new and amended HKFRS Accounting Standards may result in changes in certain accounting policies but are not likely to have a significant impact on the Group's financial performance and financial position in the period of initial application.

2.4 MATERIAL ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it 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 Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of an associate is included as part of the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

Fair value measurement

The Group measures its investments in the banks' financial products at FVTPL, equity investments designated at FVTOCI, derivative financial instruments and convertible redeemable preferred shares at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

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

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

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

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

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

Office equipment	1 to 5 years
Leasehold improvements	Over the shorter of the lease terms and an estimated useful life, 40 years

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

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

Intangible assets (other than goodwill)

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

Software, patents and trademarks

Purchased software, patents and trademarks are stated at cost less any impairment losses and are amortised on a straight-line basis over their estimated useful lives of 10 years.

Research and development expenses

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Office premises	32 to 240 months

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

(b) Lease liabilities

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

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

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

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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

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

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

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

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to related parties, derivative financial instruments, convertible redeemable preferred shares and interest-bearing bank borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9 *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

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

Cash and cash equivalents

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

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

Income tax

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

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

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

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

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

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Government grants

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

Revenue recognition

Revenue from contracts with customers

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Digital marketplace services

The Group provides digital marketplace services by facilitating the transactions between the vendors of the products and the buyers on the platform. Revenue from the provision of digital marketplace services is recognised at the point in time when the service is provided and the order transactions are completed.

The Group is an agent in this arrangement as the Group does not control the specified products before the products are delivered to the buyers, because (i) it is the vendors, rather than the Group, who are primarily responsible for the sale of products to the buyers; (ii) the vendors are identified and determined by the buyers, rather than the Group, and the Group does not commit to acquiring the specified products before transferring to the buyers. Therefore, the Group is not the principal in executing these transactions. The Group reports the amounts received from the buyers and the amounts paid to the vendors related to these transactions on a net basis.

In addition, the Group also provides value-added services to the vendors on the platform, including targeted advertisement, brand marketing and other promotional services. Revenue from value-added services is primarily recognised at the point in time when the performance obligations for the services are completed.

(b) Sale of family care and nutrition products

Revenue from the sale of family care and nutrition products is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of the products at the customer's location or upon confirmation of receipt of the products.

Some contracts for the sale of family care and nutrition products provide customers with rights of return giving rise to variable consideration, and coupons giving rise to a separate performance obligation.

(i) Rights of return

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

(ii) Coupons

The Group gives coupons to customers in transactions, which allow customers to utilise in exchange for products or services. The coupons give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the coupons given to customers based on relative stand-alone selling price and is recognised as a contract liability until the coupons are utilised. Revenue is recognised upon utilisation of the coupons for products by the customer. When estimating the stand-alone selling price of the coupons, the Group considers the likelihood that the customer will utilise the coupons. The Group updates its estimates of the coupons that will be utilised on a yearly basis or a half-year basis and any adjustments to the contract liability balance are charged against revenue.

Revenue from other sources

Income from providing advance payments on behalf of the customers is recognised on an accrual basis using the effective interest method on the basis of considering the amounts of the advance payments, the duration of the advance payments provided and the pre-determined interest rate.

Other income

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

Contract liabilities

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

Share-based payments

The Company operates a share option scheme as well as a share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

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

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

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

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

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

Other employee benefits

Pension scheme

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

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The functional currency of the Company is the USD. As the majority of the Group's revenues and assets are derived from operations in the Chinese mainland, RMB is chosen as the presentation currency to present the financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

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

Gross versus net revenue recognition

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

Estimation uncertainty

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

Estimation of the fair value of convertible redeemable preferred shares

The convertible redeemable preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group applied the income approach to determine the underlying equity value of the Company and adopted the option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions such as the timing of the liquidation, redemption or the liquidation event as well as the probability of the various scenarios were based on the Group's best estimates. Further details are included in note 27 to the Historical Financial Information.

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by product type and customer type). The Group has applied the general approach to provide for ECLs for other receivables and considered the default event and historical loss rate, adjusted for forward-looking macroeconomic data in calculating the expected credit loss rate.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in notes 20 and 21 to the Historical Financial Information, respectively.

Impairment of non-financial assets

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

4. OPERATING SEGMENT INFORMATION

The Group is principally involved in the provision of digital marketplace services and the sale of family care and nutrition products in the Chinese mainland..

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and performance assessment does not contain discrete operating segment financial information and the directors review the financial results of the Group as a whole. Therefore, no further information about operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	1,006,863	979,162	1,323,686
Hong Kong	52,161	41,392	64,303
Other countries/regions	7,761	11,845	13,001
Total revenue	1,066,785	1,032,399	1,400,990

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

(b) Non-current assets

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	30,988	24,788	51,400

The non-current asset information above is based on the locations of the assets and excludes equity investments designated at FVTOCI and time deposits.

Information about a major customer

No revenue from the Group's sales to a single customer or a group of customers under common control amounted to 10% or more of the Group's revenue during each of the Relevant Periods.

5. REVENUE, OTHER INCOME AND GAINS AND OTHER EXPENSES

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	1,065,207	1,032,285	1,400,990
Revenue from other sources	1,578	114	—
Total	1,066,785	1,032,399	1,400,990

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Digital marketplace services	296,236	229,335	180,732
Sale of family care and nutrition products	767,800	801,826	1,216,106
Others	1,171	1,124	4,152
Total	1,065,207	1,032,285	1,400,990
Geographical markets			
Chinese mainland	1,005,285	979,048	1,323,686
Hong Kong	52,161	41,392	64,303
Other countries/regions	7,761	11,845	13,001
Total	1,065,207	1,032,285	1,400,990
Timing of revenue recognition			
Goods transferred or services provided at a point in time	1,065,207	1,032,285	1,400,495
Services provided over time	—	—	495
Total	1,065,207	1,032,285	1,400,990

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year:			
Digital marketplace services	16,874	3,874	3,307
Sale of family care and nutrition products	10,275	1,171	2,761
Total	27,149	5,045	6,068

(b) Performance obligations

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

Digital marketplace services

The performance obligation for digital marketplace services is satisfied when the order transactions between the customers and the suppliers on the platform are completed and short-term advances are generally required before the digital marketplace services are provided.

Sale of family care and nutrition products

The performance obligations are satisfied when the products are accepted by the customers. Payment is generally made in advance for the sales through online platform and payments are generally due within 30 days from delivery for the sales or from the date of invoice through offline channels.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:			
Within one year	5,045	6,068	6,029

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of the Group's other income and gains is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants *(note (a))*	9,563	2,830	5,493
Investment income	15,116	11,005	1,149
Bank interest income	9,025	7,504	1,894
Income from licensing-out of a trademark	—	6,604	—
Platform management income	3,976	2,805	3,636
Value added tax ("**VAT**") and other tax benefits	1,223	482	506
Foreign exchange differences, net	—	—	1,766
Others	274	149	302
Total other income	39,177	31,379	14,746
Gains			
Fair value gain of financial assets at FVTPL	178	1,092	—
Gain on disposal of items of property, plant and equipment	495	—	167
Total gains	673	1,092	167
Total other income and gains	39,850	32,471	14,913

Note:

(a) The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these government grants.

An analysis of the Group's other expenses is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Foreign exchange differences, net	5,980	4,815	—
Impairment of other intangible assets *(note 15)*	11,437	—	—
Impairment losses on financial assets, net	1,175	1,443	3,483
Others	1,432	435	1,112
Total other expenses	20,024	6,693	4,595

6. LOSS BEFORE TAX

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

		Year ended 31 December		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold		639,737	677,649	1,019,818
Cost of services provided		25,588	19,445	16,289
Depreciation of property, plant and equipment	13	2,200	1,038	465
Depreciation of right-of-use assets	14(a)	6,207	4,159	1,495
Amortisation of other intangible assets*	15	2,734	1,012	988
Research and development expenses		35,335	33,585	21,849
Lease payments not included in the measurement of lease liabilities	14(c)	343	177	1,604
Auditor's remuneration		614	692	—
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):				
Salaries, bonuses and allowances		246,437	206,872	172,007
Equity-settled share-based payments		2,764	25,597	200,348
Pension scheme contributions@		10,139	9,181	8,477
Staff welfare expenses		4,193	7,787	5,880
Termination benefits		5,869	4,877	3,049
Total		269,402	254,314	389,761
Impairment of other intangible assets**	15	11,437	—	—
Impairment of financial assets, net:				
Impairment/(reversal of Impairment loss) of trade receivables, net	20	4	69	(64)
Impairment of other receivables, net	21	1,171	1,374	3,547
Total		1,175	1,443	3,483
Write-down of inventories to net realisable value, net***		876	2,818	2,029

* The amortisation of other intangible assets is included in "Selling and distribution expenses", "Administrative expenses" and "Research and development expenses" in the consolidated statements of profit or loss.

** Impairment of other intangible assets is included in "Other expenses" in the consolidated statements of profit or loss.

*** Write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statements of profit or loss.

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans		3	163	678
Interest on bank loans from discounting bills receivable and letter of credit		—	2,664	988
Interest on lease liabilities	14(b)	463	137	80
Total		466	2,964	1,746

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Mr. Zhao Chen and Mr. Wu Tao were appointed as directors on 28 April 2015. Mr. Wang Mengzhi was appointed as a director on 18 December 2019. Ms. Xu Hong was appointed as a director on 1 August 2023. Mr. Zhao Chen was also appointed as the chief executive on 28 April 2015.

Mr. Zhao Chen and Ms. Xu Hong were designated as executive directors on 14 June 2025. Mr. Wu Tao and Mr. Wang Mengzhi were designated as non-executive directors on 14 June 2025.

Mr. Shen Kai, Mr. Feng Peihua and Ms. Wang Xun were appointed as independent non-executive directors on [Date].

The remuneration of each of the Company's directors and chief executive is set out below:

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	1,197	1,799	1,799
Performance related bonuses	1,190	180	373
Equity-settled share-based payments	88	2,814	37,306
Pension scheme contributions	20	24	29
Subtotal	2,495	4,817	39,507
Total	2,495	4,817	39,507

During the Relevant Periods, certain directors were granted share-based benefits, in respect of their services to the Group, under the share incentive schemes of the Company, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such share-based benefits, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The Company has not appointed any independent non-executive directors during the Relevant Periods. Accordingly, there were no fees and other emoluments payable to the independent non-executive directors during the Relevant Periods.

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

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payments	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Executive directors:					
Mr. Zhao Chen*	309	660	—	6	975
Ms. Xu Hong	370	420	88	7	885
Subtotal	679	1,080	88	13	1,860
Non-executive directors:					
Mr. Wu Tao	518	110	—	7	635
Mr. Wang Mengzhi	—	—	—	—	—
Subtotal	518	110	—	7	635
Total	1,197	1,190	88	20	2,495
Year ended 31 December 2024					
Executive directors:					
Mr. Zhao Chen*	850	144	—	8	1,002
Ms. Xu Hong	430	36	2,814	8	3,288
Subtotal	1,280	180	2,814	16	4,290
Non-executive directors:					
Mr. Wu Tao	519	—	—	8	527
Mr. Wang Mengzhi	—	—	—	—	—
Subtotal	519	—	—	8	527
Total	1,799	180	2,814	24	4,817
Year ended 31 December 2025					
Executive directors:					
Mr. Zhao Chen*	850	231	24,044	9	25,134
Ms. Xu Hong	430	92	5,126	10	5,658
Subtotal	1,280	323	29,170	19	30,792
Non-executive directors:					
Mr. Wu Tao	519	50	8,136	10	8,715
Mr. Wang Mengzhi	—	—	—	—	—
Subtotal	519	50	8,136	10	8,715
Total	1,799	373	37,306	29	39,507

* Mr. Zhao Chen is also the chief executive of the Company.

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

During the Relevant Periods, no remuneration was paid by the Group to the directors or the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included two, two and one directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three, three and four highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,820	1,496	1,756
Performance related bonuses	800	142	444
Equity-settled share-based payments	107	3,632	189,412
Pension scheme contributions	20	24	38
Total	2,747	5,294	191,650

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

	Number of employees		
	Year ended 31 December		
	2023	**2024**	**2025**
Nil to HKD1,000,000	2	—	—
HKD1,000,001 to HKD1,500,000	1	—	—
HKD1,500,001 to HKD2,000,000	—	2	—
HKD2,000,001 to HKD2,500,000	—	1	—
HKD12,500,001 to HKD13,000,000	—	—	1
HKD19,000,001 to HKD19,500,000	—	—	1
HKD44,500,001 to HKD45,000,000	—	—	1
HKD135,500,001 to HKD136,000,000	—	—	1
Total	3	3	4

During the Relevant Periods, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

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

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

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods. A subsidiary of the Group is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% during the Relevant Periods.

The provision for the Chinese mainland current income tax is based on the statutory rate of 25% on the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for certain subsidiaries of the Group in the Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

During the Relevant Periods, Hangzhou Yangtuo Internet was qualified as a high and new technology enterprise and was entitled to a preferential income tax rate of 15%.

The major components of income tax credit/(expense) of the Group during the Relevant Periods are analysed as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Charge for the year	106	—	419
Overprovision in prior years	—	(1)	—
Total tax charge/(credit) for the year	106	(1)	419

A reconciliation of the tax credit/(expense) applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax credit/(expense) at the effective tax rate is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(56,434)	(78,826)	(358,272)
Tax at the statutory tax rates	4,495	327	(51,321)
Preferential income tax rates applicable to subsidiaries	313	(2,167)	18,246
Additional deduction allowance for research and development expenses	(3,926)	(3,064)	(2,807)
Expenses not deductible for tax	1,648	5,047	1,022
Adjustments in respect of current tax of previous periods	—	(1)	—
Tax losses utilised from previous periods	(16,847)	(13,346)	(19,579)
Tax losses and temporary differences not recognised	14,423	13,203	54,858
Tax charge/(credit) at the Group's effective tax rate	106	(1)	419

11. DIVIDENDS

No dividend has been paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods.

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the Relevant Periods, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares arising from share options granted by the Company and convertible redeemable preferred shares.

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(52,131)	(78,403)	(358,129)

	Number of shares		
	2023	**2024**	**2025**
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation	84,939,000*	66,236,000*	74,476,000*
Effect of dilution — weighted average number of ordinary shares:			
Share options	13,393,000**	12,268,000**	13,849,000**
Convertible redeemable preferred shares	138,817,000**	137,173,000**	134,156,000**
Total	237,149,000	215,677,000	222,481,000

* The weighted average number of ordinary shares was after taking into account the effect of treasury shares held under the Company's share award scheme.

** No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2023, 2024 and 2025 in respect of a dilution as the impact of the share options outstanding and convertible redeemable preferred shares had an anti-dilutive effect on the basic loss per share amounts presented.

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	15,050	4,615	19,665
Accumulated depreciation	(11,414)	(4,550)	(15,964)
Net carrying amount	3,636	65	3,701
At 1 January 2023, net of accumulated depreciation	3,636	65	3,701
Additions	32	62	94
Disposals	(229)	—	(229)
Depreciation provided during the year *(note 6)*	(2,144)	(56)	(2,200)
At 31 December 2023, net of accumulated depreciation	1,295	71	1,366
At 31 December 2023:			
Cost	11,649	189	11,838
Accumulated depreciation	(10,354)	(118)	(10,472)
Net carrying amount	1,295	71	1,366
31 December 2024			
At 1 January 2024:			
Cost	11,649	189	11,838
Accumulated depreciation	(10,354)	(118)	(10,472)
Net carrying amount	1,295	71	1,366
At 1 January 2024, net of accumulated depreciation	1,295	71	1,366
Additions	52	—	52
Depreciation provided during the year *(note 6)*	(992)	(46)	(1,038)
At 31 December 2024, net of accumulated depreciation	355	25	380
At 31 December 2024:			
Cost	11,701	189	11,890
Accumulated depreciation	(11,346)	(164)	(11,510)
Net carrying amount	355	25	380

	Office equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	11,701	189	11,890
Accumulated depreciation	(11,346)	(164)	(11,510)
Net carrying amount	355	25	380
At 1 January 2025, net of accumulated depreciation	355	25	380
Additions	468	16,072	16,540
Depreciation provided during the year *(note 6)*	(310)	(155)	(465)
At 31 December 2025, net of accumulated depreciation	513	15,942	16,455
At 31 December 2025:			
Cost	11,175	16,261	27,436
Accumulated depreciation	(10,662)	(319)	(10,981)
Net carrying amount	513	15,942	16,455

As the Group operated at a loss during the Relevant Periods, the Group performed impairment test at the end of each of the Relevant Periods for the cash-generating unit, whose non-current assets consist of leasehold properties, office equipment, and other intangible assets. The recoverable amounts of the cash-generating unit which were supported by value-in-use calculations based on future discounted cash flows were higher than the carrying amounts of the cash-generating unit. Therefore, no impairment loss was recognised during the years ended 31 December 2023, 2024 and 2025.

14. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises used in its operations. Leases of office premises generally have lease terms between 32 and 240 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Office premises
	RMB'000
As at 1 January 2023	9,360
Additions	5,319
Depreciation provided during the year *(note 6)*	(6,207)
Lease modification	(2,927)
As at 31 December 2023 and 1 January 2024	5,545
Depreciation provided during the year *(note 6)*	(4,159)
As at 31 December 2024 and 1 January 2025	1,386
Additions	13,159
Depreciation provided during the year *(note 6)*	(1,495)
As at 31 December 2025	13,050

(b) Lease liabilities

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

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	9,573	5,740	1,146
New leases	5,319	—	13,159
Lease modification	(3,083)	—	—
Accretion of interest recognised during the year *(note 7)*	463	137	80
Payments	(6,532)	(4,731)	(1,150)
Carrying amount at 31 December	5,740	1,146	13,235
Analysed into:			
Lease liabilities repayable:			
Within one year	4,594	1,146	—
In the second to fifth years, inclusive	1,146	—	1,945
Beyond five years	—	—	11,290
Total	5,740	1,146	13,235

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

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	463	137	80
Depreciation charge of right-of-use assets	6,207	4,159	1,495
Gain on lease modification	(156)	—	—
Expenses relating to short-term leases (included in administrative expenses)	343	177	1,628
Total amount recognised in profit or loss	6,857	4,473	3,203

(d) The total cash outflow for leases is disclosed in note 33(c) to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

	Software	**Patents**	**Trademarks**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
At 1 January 2023:				
Cost	7,223	943	18,165	26,331
Accumulated amortisation and impairment	(2,719)	(597)	(4,469)	(7,785)
Net carrying amount	4,504	346	13,696	18,546
Cost at 1 January 2023, net of accumulated amortisation and impairment	4,504	346	13,696	18,546
Additions	612	75	365	1,052
Impairment *(note 6)**	—	—	(11,437)	(11,437)
Amortisation provided during the year *(note 6)*	(742)	(120)	(1,872)	(2,734)
At 31 December 2023	4,374	301	752	5,427
At 31 December 2023:				
Cost	7,672	1,018	18,530	27,220
Accumulated amortisation and impairment	(3,298)	(717)	(17,778)	(21,793)
Net carrying amount	4,374	301	752	5,427

* As at 31 December 2023, the Group would no longer engage in the sales of the specific products with regard to the trademark, the recoverable amount of the trademark was nil and the carrying amount of the trademark was fully impaired by RMB11,437,000 during the year ended 31 December 2023. The impairment loss recognised was included in "Other expenses" in the consolidated statements of profit or loss.

	Software	Patents	Trademarks	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
At 1 January 2024:				
Cost	7,672	1,018	18,530	27,220
Accumulated amortisation and impairment	(3,298)	(717)	(17,778)	(21,793)
Net carrying amount	4,374	301	752	5,427
Cost at 1 January 2024, net of accumulated amortisation and impairment	4,374	301	752	5,427
Additions	—	—	63	63
Amortisation provided during the year *(note 6)*	(778)	(99)	(135)	(1,012)
At 31 December 2024	3,596	202	680	4,478
At 31 December 2024:				
Cost	7,672	1,018	18,593	27,283
Accumulated amortisation and impairment	(4,076)	(816)	(17,913)	(22,805)
Net carrying amount	3,596	202	680	4,478
31 December 2025				
At 1 January 2025:				
Cost	7,672	1,018	18,593	27,283
Accumulated amortisation and impairment	(4,076)	(816)	(17,913)	(22,805)
Net carrying amount	3,596	202	680	4,478
Cost at 1 January 2025, net of accumulated amortisation and impairment	3,596	202	680	4,478
Amortisation provided during the year *(note 6)*	(765)	(99)	(124)	(988)
At 31 December 2025	2,831	103	556	3,490
At 31 December 2025:				
Cost	7,672	1,018	18,593	27,283
Accumulated amortisation and impairment	(4,841)	(915)	(18,037)	(23,793)
Net carrying amount	2,831	103	556	3,490

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Yangtuo Technology (HK) Limited, at cost	953,945	953,945	953,945
Investments arising from equity-settled share-based payments*	91,137	119,548	357,202
Total	1,045,082	1,073,493	1,311,147

* The amounts represent equity-settled share-based payment expenses arising from the share options of the Company and the Company's shares awarded to employees and business partners of the subsidiaries (note 31) in exchange for their services provided to these subsidiaries, which were deemed to be investments made by the Company in these subsidiaries.

17. INVESTMENT IN AN ASSOCIATE

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	8,256	8,150	8,011
Loans to the associate	10,394	10,394	10,394
Total	18,650	18,544	18,405

Particulars of the associate are as follows:

Name	**Particulars of issued shares held**	**Place of incorporation/ registration and business**	**Percentage of ownership interest attributable to the Group**	**Principal activities**
Hangzhou Beiqi Intelligent Technology Co., Ltd. ("**Hangzhou Beiqi**")	Ordinary shares	Chinese mainland/PRC	42%	Property management

18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at FVTOCI			
Unlisted equity investments, at fair value			
Shanghai Heming Jiugao Commercial Development Co., Ltd. ("**Heming Jiugao**") (上海鶴鳴九皋商貿發展有限公司)	2,294	1,849	911

The above equity investments were irrevocably designated at FVTOCI as the Group considers this investment to be strategic in nature.

19. INVENTORIES

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	743	743	704
Finished goods	47,780	78,124	54,981
	48,523	78,867	55,685
Write-down of inventories	(1,697)	(4,130)	(3,315)
Total	46,826	74,737	52,370

20. TRADE RECEIVABLES

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	6,061	13,637	4,709
Impairment	(33)	(102)	(38)
Net carrying amount	6,028	13,535	4,671

The Group's trading terms with its customers for the sales through offline channels are mainly on credit. The credit period is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	4,957	9,719	3,477
3 to 6 months	342	1,729	623
6 to 12 months	729	930	571
Over 12 months	—	1,157	—
Total	6,028	13,535	4,671

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	29	33	102
Impairment losses/(reversal of impairment losses), net	4	69	(64)
At end of year	33	102	38

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

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Ageing			
Within 12 months	6,035	0.12%	7
Over 12 months	26	100.00%	26
Total	6,061	0.54%	33

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Ageing			
Within 12 months	12,448	0.56%	70
Over 12 months	25	100.00%	25
Individually identified as low expected credit loss rate while the ageing is over 12 months	1,164	0.60%	7
Total	13,637	0.75%	102

As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Ageing			
Within 12 months	4,678	0.15%	7
Over 12 months	31	100.00%	31
Total	4,709	0.81%	38

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Advance payments to suppliers	15,175	34,931	97,190
Prepaid expense	2,905	2,985	2,996
Deposits and other receivables	93,939	79,861	42,603
Other tax receivables	8,552	12,370	12,092
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	120,571	130,147	157,009
Impairment allowance *(note (a))*	(2,174)	(2,659)	(3,251)
Total	118,397	127,488	153,758

Note (a):

An impairment analysis was performed at the end of each of the Relevant Periods. The Group has applied the general approach to provide for expected credit losses for other receivables under HKFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

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

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	1,003	2,174	2,659
Impairment losses, net	1,171	1,374	3,547
Amount written off as uncollectible	—	(889)	(2,955)
At end of year	2,174	2,659	3,251

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments, at fair value	25,458	46,092	—

The above unlisted investments were certain financial products issued by commercial banks. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

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

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	468,566	395,883	330,883
Time deposits	167,840	115,366	—
Subtotal	636,406	511,249	330,883
Less:			
Time deposits with original maturity of more than three months when acquired *(note (a))*	167,840	115,366	—
Pledged deposits *(note (b))*	72,612	22,480	11,728
Restricted cash for digital marketplace services *(note (c))*	7,680	4,942	154,053
Cash and cash equivalents	388,274	368,461	165,102
Denominated in:			
RMB	232,269	368,257	125,949
USD	155,987	196	29,444
New Zealand Dollar ("**NZD**")	—	—	9,138
Other currencies	18	8	571
Cash and cash equivalents	388,274	368,461	165,102

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	641	208	840
Denominated in:			
RMB	21	104	255
HKD	—	—	566
USD	620	104	19
Cash and cash equivalents	641	208	840

Note (a):

As at 31 December 2024, bills of RMB30,000,000 issued by one of the Company's subsidiaries to another subsidiary for digital marketplace services were secured by the time deposits of RMB30,993,000.

Note (b):

As at 31 December 2023, 2024 and 2025, derivative financial instruments were secured by bank balances of RMB72,612,000, RMB117,000 and RMB123,000, respectively (note 26).

As at 31 December 2024 and 2025, bills issued/received within the Group of RMB66,140,000 and RMB20,000,000, respectively, were secured by bank balances of RMB22,363,000 and RMB6,000,000, respectively.

As at 31 December 2025, letter of credit issued/received within the Group of RMB9,500,000 were secured by bank balances of RMB5,605,000.

Note (c):

As at 31 December 2023, 2024 and 2025, cash and bank balances of RMB7,680,000, RMB4,942,000 and RMB154,053,000, respectively, were restricted for use in the provision of digital marketplace services as they were received from buyers for settling the amounts to their vendors upon completion of the transactions, in which the Group acted as an agent.

Note (d):

A currency analysis of the Group's time deposits, pledged deposits and restricted cash as at 31 December 2023, 2024 and 2025 is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Denominated in:			
RMB	175,520	142,671	165,658
Canadian dollar ("**CAD**")	65	61	62
Euro ("**EUR**")	47	45	49
Japanese Yen ("**JPY**")	72,489	—	—
Other currencies	11	11	12
Total	248,132	142,788	165,781

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for periods of more than 3 months to 3 years and earn interest at the respective time deposit rates. The bank balances, pledged deposits and restricted cash are deposited with creditworthy banks with no recent history of default.

24. TRADE PAYABLES

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

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	12,274	12,106	8,806
3 to 6 months	435	1,956	425
6 to 12 months	621	157	205
Over 12 months	443	426	1,512
Total	13,773	14,645	10,948

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

25. OTHER PAYABLES AND ACCRUALS

		As at 31 December		
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	(a)	5,045	6,068	6,029
Payroll payable		33,656	28,602	24,129
Advance from buyers	(b)	37,751	25,328	11,453
Settlement obligations	(c)	186,904	111,571	109,513
Other payables	(d)	74,673	73,562	68,439
Taxes payable other than corporate income tax		7,699	2,852	5,193
Total		345,728	247,983	224,756

Notes:

(a) Details of contract liabilities are as follows:

	1 January	31 December		
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Digital marketplace services	16,874	3,874	3,307	1,870
Sale of family care and nutrition products	4,141	67	1,528	3,067
Coupons	6,134	1,104	1,233	1,092
Total	27,149	5,045	6,068	6,029

Contract liabilities mainly include short-term advances received from the provision of digital marketplace services and the sale of family care and nutrition products, and unused coupons. The decrease in contract liabilities from 1 January 2023 to 31 December 2023 was mainly due to the Group's fulfilment of digital marketplace services and the sale of family care and nutrition products. The increase in advances received from customers from 31 December 2023 to 31 December 2024 was mainly due to the increase in short-term advances received from customers in relation to the sale of family care and nutrition products. The slight decrease in advances received from customers from 31 December 2024 to 31 December 2025 was mainly due to fulfilment of digital marketplace services netted off the increase in advance received for sale of family care and nutrition products.

(b) Advance from buyers represents the prepayment from buyers that can be used in subsequent transactions on the platform.

(c) Settlement obligations represent payables to vendors of products for digital marketplace services that the Group collects from the buyers of order transactions on the platform. The amounts are due for settlement on demand.

(d) Other payables mainly represent deposits and earnest money received from vendors, and are non-interest-bearing and repayable on demand.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Assets			
Forward currency contracts	1,734	—	—
Liabilities			
Forward currency contracts	2,016	—	—

Forward currency contracts are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of non-hedging derivative financial instruments amounting to RMB271,000 were charged to profit or loss during the year ended 31 December 2023.

As at 31 December 2023, 2024 and 2025, derivative financial instruments were secured by bank balances of RMB72,612,000, RMB117,000 and RMB123,000, respectively.

27. CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At fair value through profit or loss	2,366,843	2,399,990	2,323,429

Convertible redeemable preferred shares (the "**Preferred Shares**") issued by the Company are redeemable upon the occurrence of certain future events. These instruments can also be converted into ordinary shares of the Company at any time at the option of the holders, or automatically upon the occurrence of a [REDACTED] of the Company's shares, or when agreed by the majority of the holders of each class of the Preferred Shares. These Preferred Shares were measured at fair value through profit or loss, further details of the accounting policy are disclosed in note 2.4 to the Historical Financial Information.

Since the date of incorporation, the Company has completed several rounds of financing arrangements by issuing the Preferred Shares, details of which are included below:

Preferred Shares	Date of issuance	Purchase price	Number of Preferred Shares	Total consideration
		(USD/Share)		*USD*
Series A	2015	0.102	33,058,823	3,372,000
Series B	2016	0.374	13,368,984	5,000,000
Series B+	2017	0.623	36,793,410	22,933,333
Series C	2018	1.465	15,565,049	22,800,000
Series C+	2018	1.634	12,242,685	20,000,000
Series D	2019	2.923	40,191,083	117,492,014

Certain numbers of Preferred Shares were repurchased by the Company before the Relevant Periods. During the year ended 31 December 2024, 2,616,661 Series D Preferred Shares were repurchased by the Company at a total consideration of USD11,000,000 (equivalent to approximately RMB78,122,000). During the year ended 31 December 2025, 3,454,613 Series D Preferred Shares were repurchased by the Company at a total consideration of USD24,000,000 (equivalent to approximately RMB172,364,000).

As at 1 January 2023 and 31 December 2023, the numbers of Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares and Series D Preferred Shares were 28,352,689, 11,231,015, 31,876,081, 14,923,658, 12,242,685 and 40,191,083, respectively.

As at 31 December 2024, the numbers of Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares and Series D Preferred Shares were 28,352,689, 11,231,015, 31,876,081, 14,923,658, 12,242,685 and 37,574,422, respectively.

As at 31 December 2025, the numbers of Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares and Series D Preferred Shares were 28,352,689, 11,231,015, 31,876,081, 14,923,658, 12,242,685 and 34,119,809, respectively.

A summary of movements of the number of Preferred Shares is as follows:

	As at 31 December		
	2023	**2024**	**2025**
At beginning of year	138,817,211	138,817,211	136,200,550
Repurchase of preferred shares	—	(2,616,661)	(3,454,613)
At end of year	138,817,211	136,200,550	132,745,937

The key terms of the convertible redeemable preferred shares are summarised as follows:

(1) Dividends

Each holder of the Preferred Shares shall be entitled to receive dividends, out of any funds legally available therefor, at the amount distributed among the ordinary shares pro rata based on the number of ordinary shares held by each holder of Preferred Shares (calculated on an as-converted basis). Unless and until any dividends or other distributions in like amount have been paid in full on the Preferred Shares (on an as-converted basis), the Company shall not declare, pay or set apart for payment, any dividend and other distributions on any ordinary share or make any payment on account of, or set apart for payment, money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any ordinary share or any warrants, rights, calls or options exercisable or exchangeable for or convertible into any ordinary share, or make any distribution in respect thereof, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property.

(2) Conversion rights

Right to convert Preferred Shares

Unless converted earlier pursuant to automatic conversion below, each Preferred Share shall be convertible, at the option of the holder thereof, at any time after the issuance of such Preferred Share into such number of fully paid and non-assessable ordinary shares as determined by dividing the applicable issue price of such Preferred Share by the applicable conversion price of such Preferred Share, determined as hereinafter provided, in effect at the time of the conversion. The applicable conversion price shall initially be equal to the applicable issue price and shall be subject to adjustment as hereinafter provided. For the avoidance of doubt, the initial conversion ratio for Preferred Shares to ordinary shares is 1:1 as of the date of adoption of the Articles of Association of the Company (the "**Articles**").

Automatic conversion

Each Preferred Share shall automatically be converted into ordinary shares at the then-effective applicable conversion price upon the consummation of a [REDACTED], without the payment of additional consideration for such conversion. In the event of the automatic conversion, the holders entitled to receive the ordinary shares issuable upon such conversion of Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the consummation of such [REDACTED].

(3) Liquidation

In the event of any liquidation, dissolution, bankruptcy or winding up of the Company (the "**Liquidation Event**"), either voluntary or involuntary, distributions to the members of the Company shall be made in the following manner (after satisfaction of all creditors' claims and claims that may be preferred by law):

(a) Each holder of the Series D Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series C+ Preferred Shares, the Series C Preferred Shares, the Series B + Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares, the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series D issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series D Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series D Preferred Shares (the "**Series D Preference Amount**"). If upon the occurrence of the Liquidation Event, the assets and funds thus distributed among the holders of the Series D Preferred Shares shall be insufficient to permit the full payment of the Series D Preference Amount to the holders of the Series D Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series D Preferred Shares in proportion to the Series D Preference Amount each such holder is otherwise entitled to receive.

(b) After paying in full the Series D Preference Amount, each holder of the Series C+ Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares, the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series C+ issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series C+ Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series C+ Preferred Shares (the "**Series C+ Preference Amount**"). Each holder of the Series C Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series B+ Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares, the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series C issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series C Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series C Preferred Shares (the "**Series C Preference Amount**"). If upon the occurrence of the Liquidation Event, the assets and funds thus distributed among the holders of the Series C+ Preferred Shares and the Series C Preferred Shares shall be insufficient to permit the full payment of the Series C+ Preference Amount and the Series C Preference Amount to the holders of the Series C+ Preferred Shares and the Series C Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series C+ Preferred Shares and the Series C Preferred Shares in proportion to the Series C+ Preference Amount and the Series C Preference Amount each such holder is otherwise entitled to receive.

(c) After paying in full the Series D Preference Amount, the Series C+ Preference Amount and the Series C Preference Amount as described above, each holder of the Series B+ Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series B Preferred Shares, the Series A Preferred Shares, the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series B+ issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series B+ Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series B+ Preferred Shares (the "**Series B+ Preference Amount**"). If upon the occurrence of the Liquidation Event, the assets and funds thus distributed among the holders of the Series B+ Preferred Shares shall be insufficient to permit the full payment of Series B+ Preference Amount to the holders of Series B+ Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series B + Preferred Shares in proportion to the Series B+ Preference Amount each such holder is otherwise entitled to receive.

(d) After paying in full the Series D Preference Amount, the Series C+ Preference Amount, the Series C Preference Amount and the Series B+ Preference Amount as described above, each holder of the Series B Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Series A Preferred Shares, the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series B issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series B Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series B Preferred Shares (the "**Series B Preference Amount**"). If upon the occurrence of the Liquidation Event, the assets and funds thus distributed among the holders of the Series B Preferred Shares shall be insufficient to permit the full payment of Series B Preference Amount to the holders of Series B Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Shares in proportion to the Series B Preference Amount each such holder is otherwise entitled to receive.

(e) After paying in full the Series D Preference Amount, the Series C+ Preference Amount, the Series C Preference Amount, the Series B+ Preference Amount and the Series B Preference Amount as described above, each holder of the Series A Preferred Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to one hundred and twenty-five percent (125%) of the Series A issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each Series A Preferred Share it holds, plus all accrued or declared but unpaid dividends on its Series A Preferred Shares (the "**Series A Preference Amount**", collectively with the Series D Preference Amount, the Series C+ Preference Amount, the Series C Preference Amount, the Series B+ Preference Amount and the Series B Preference Amount and as applicable, the "**Preference Amount**"). If upon the occurrence of the Liquidation Event, the assets and funds thus distributed among the holders of the Series A Preferred Shares shall be insufficient to permit the full payment of Series A Preference Amount to the holders of Series A Preferred Shares, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Shares in proportion to the Series A Preference Amount each such holder is otherwise entitled to receive.

(f) After setting aside or paying in full the Preference Amount as described above, the remaining assets (if any) of the Company available for distribution to members, if any, shall be distributed to the holders of Preferred Shares and ordinary shares on a pro rata basis, based on the number of ordinary shares then held by each such holder on an as-converted basis.

(4) Redemption

Redemption events

At any time after the earlier of (i) the occurrence of a breach by the Group or any of the founders of the Company (the "Founders") and the controlled entities of the Founders (the "Founder Holdcos", and together with the Founders, the "Founder Parties") of any of their respective representations, warranties, covenants or undertakings under the Preferred Shares purchase agreements which has caused or is reasonably expected to cause a material adverse effect on the Group or the interests of the holders of Preferred Shares, and such breach is not cured to the reasonable satisfaction of the majority Series A holders, the majority Series B holders, the majority Series B+ holders, the majority Series C holders, the majority Series C+ holders, or the majority Series D holders (as the case may be), within thirty (30) days after the majority Series A holders, the majority Series B holders, the majority Series B+ holders, the majority Series C holders, the majority Series C+ holders, or the majority Series D holders (as the case may be), deliver a notice to the Company of the occurrence of such breach, (ii) the date on which there occurs any adverse change in the regulatory environment, pursuant to which circumstance the contractual arrangements have become or will become invalid, illegal or unenforceable, with no alternative structure available after good-faith discussion and determination amongst the Company and the members of the Company or there has been or is reasonably expected to be a material adverse effect on the Group's principal business, (iii) if the Company has not conducted a [REDACTED] on or prior to 31 December 2023, (iv) the occurrence of any illegal act or wilful misconduct by any of the Founder Parties which causes a material adverse effect on the Group, (v) breach of any non-compete obligations by any Founder, Founder Holdco or key employee under the Preferred Shares purchase agreements and/or non-competition agreements and such breach has not been cured within thirty (30) days after the majority Series A holders, the majority Series B holders, the majority Series B+ holders, the majority Series C holders, the majority Series C+ holders, or the majority Series D holders (as the case may be) deliver a notice to the Founder Parties or the key employee (as the case may be), (vi) any Founder or key employee commits an illegal act, which imposes an adverse effect on the [REDACTED] of the Company, or (vii) any holder of other series of Preferred Shares or other securities has requested redemption pursuant to the Articles, each Preferred Share shall be redeemable at the option of each holder of such Preferred Share, out of funds legally available therefor in accordance with the following terms. For the avoidance of doubt, the exercise by any holder of the Preferred Shares of its right pursuant to item (vii) in the preceding sentence shall not be conditioned on the satisfaction of the requirements set forth in item (iii) above.

Redemption price

The redemption price of each Preferred Share shall be: (A) with respect to any holder of the Series C+ Preferred Shares, Series C Preferred Shares, Series B+ Preferred Shares, Series B Preferred Shares and Series A Preferred Shares, the higher of the following (i) and (ii); and (B) with respect to any holder of the Series D Preferred Shares, the higher of the following (ii) and (iii):

(i) an amount equal to one hundred and twenty-five percent (125%) of the applicable issue price (as adjusted for share splits, share dividends, combinations, recapitalisations and similar events with respect to such shares) for each such series of Preferred Shares it holds, plus all accrued but unpaid dividends on its such series of Preferred Shares up to the date of redemption;

(ii) the fair market value of such series of Preferred Shares determined by an independent third-party appraising firm selected jointly by the Company and the majority Series A holders, the majority Series B holders, the majority Series B+ holders, the majority Series C holders, the majority Series C+ holders, or the majority Series D holders, as the case may be; or

(iii) an amount equal to the applicable issue price plus the interest accrued annually at a compounded interest rate of ten percent (10%) per annum from the original issue date of such Series D Preferred Share to the redemption date.

During the year ended 31 December 2024, the Company received requests for redemption from the holders of the Series D Preferred Shares, requesting redemption of all of the Series D Preferred Shares. The Company undertook to, from all sources of assets or funds legally available therefor on 16 May 2024 (the "**Redemption Date**") and 21 May 2024, redeem a total of 2,616,661 Series D Preferred Shares at a total consideration of USD11,000,000 (approximately RMB78,122,000).

The Company executed and delivered promissory notes pursuant to the Articles for the remaining Series D Preferred Shares which were not redeemed on the Redemption Date. These promissory notes were issued for the total redemption price of USD157,956,508.51 for the 37,574,422 remaining Series D Preferred Shares and were due and payable no later than 16 November 2024, provided that the Company may discharge the amount outstanding in whole or in part at any time, from time to time, prior to 16 November 2024 in accordance with the Articles (the "**Old PNs**"). Interest shall accrue on the full amount due under these promissory notes on a daily basis (on the basis of a 365-day year) at a rate of twelve percent (12%) per annum.

For the avoidance of doubt, any remaining Preferred Shares to be redeemed shall be carried forward and redeemed as soon as the Company has legally available funds to do so. The balance of any shares subject to redemption under the Articles with respect to which the Company has become obligated to pay the redemption payment but has not paid in full shall continue to have all the powers, designations, preferences and relative participating, optional, and other special rights (including, without limitation, rights to accrue dividends) which such shares had prior to such date, until the redemption payment has been paid in full with respect to such shares.

On 30 May 2025, the Company reached an agreement with the holders of the convertible redeemable preferred shares that the Company repurchased 3,454,613 Series D Preferred Shares at a total consideration of USD24,000,000 (equivalent to approximately RMB172,364,000) in June 2025 and the holders would not further exercise the redemption rights to request the Company to repurchase their outstanding Preferred Shares on or before 31 December 2026.

The Old PNs were terminated immediately prior to the Company's initial submission of its [REDACTED] in June 2025. In the event that the [REDACTED] has not been completed on or prior to 31 December 2026, the Company shall issue new promissory notes (the "**New PNs**") to the holders of Series D Preferred Shares on 1 January 2027.

The movements of the Old PNs during the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	—	—	1,221,079
Issue of Old PNs	—	1,121,807	—
Termination of Old PNs	—	—	(1,103,932)
Changes in fair value	—	84,830	55,217
Repurchase of preferred shares	—	—	(172,364)
Exchange realignment	—	14,442	—
At end of year	—	1,221,079	—

Concurrently with the termination of the Old PNs, Mr. Zhao Chen and his Founder Holdco shall collectively pledge 20,682,875 ordinary shares held by him and his Founder Holdco in favor of each former holder of the Old PNs on a pro rata basis as determined by reference to the outstanding amount under their respective Old PNs immediately prior to such termination to secure the Company's obligations.

For the purpose of the [REDACTED], the conversion ratios of the Preferred Shares shall be adjusted immediately before the Company's initial submission of its [REDACTED] (the "**Conversion Adjustment**"). 28,352,689 Series A Preferred Shares, 11,231,015 Series B Preferred Shares, 31,876,081 Series B+ Preferred Shares, 14,923,658 Series C Preferred Shares, 12,242,685 Series C+ Preferred Shares and 34,119,809 Series D Preferred Shares shall become convertible into 45,689,567, 10,425,161, 34,244,570, 22,606,562, 25,853,233 and 82,518,416 ordinary shares, respectively, provided that, following the Conversion Adjustment, if the [REDACTED] is not completed on or prior to 31 December 2026, the conversion ratios of the Preferred Shares applicable to the respective holders pursuant to the Conversion Adjustment shall be reverted to the same ratios immediately prior to the Conversion Adjustment.

The movements of the Preferred Shares during the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	2,255,240	2,366,843	2,399,990
Changes in fair value	72,989	76,183	147,776
Repurchase of preferred shares	—	(78,122)	(172,364)
Exchange realignment	38,614	35,086	(51,973)
At end of year	2,366,843	2,399,990	2,323,429

The Company has used the income approach to determine the underlying share value of the Company and adopted the option-pricing method and equity allocation model to determine the fair values of the convertible redeemable preferred shares as at 31 December 2023, 2024 and 2025.

Set out below is a summary of significant unobservable inputs to the valuation of Preferred Shares as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	**2024**	**2025**
Risk-free interest rate	4.1%	4.4%	3.6%
Discount for lack of marketability ("**DLOM**")	17%	15%	11%
Equity volatility	45.8%	46.8%	47.0%

Risk-free interest rate — the rate is based on the Chinese government bond yield with the same maturity periods.

DLOM — the rate is calculated using the Finnerty method based on the historical equity volatilities of comparable companies. It reflects the lower value placed on securities that are not freely transferable, as compared to those that are frequently traded in an established market.

Equity volatility — the rate is based on the historical volatilities of several listed comparable companies.

The following table demonstrates the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant, of the fair value of Preferred Shares.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1% increase in risk-free interest rate	(208)	(133)	(548)
1% decrease in risk-free interest rate	208	133	554
1% increase in DLOM	(2,661)	(2,375)	(2,823)
1% decrease in DLOM	2,661	2,376	2,824
10% increase in equity volatility	363	1,566	(15)
10% decrease in equity volatility	(1,172)	(1,947)	(396)

28. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	Maturity	31 December 2023
	(%)		*RMB'000*
Current			
Bank loans — secured *(note (a))*	3.85	2024	1,196
Bank loans — guaranteed *(note (a))*	3.30	2024	1,003
Total			2,199

	Effective interest rate	Maturity	31 December 2024
	(%)		*RMB'000*
Current			
Bank loans — guaranteed *(note (a))*	3.20–3.30	2025	21,022
Bank loans from discounting bills receivable and letter of credit — secured *(note (b))*	1.14–2.20	2025	116,140
Total			137,162

	Effective interest rate	Maturity	31 December 2025
	(%)		*RMB'000*
Current			
Bank loans — guaranteed *(note (a))*	3.10	2026	30,000
Bank loans from discounting bills receivable and letter of credit — secured *(note (b))*	1.01–2.00	2026	66,500
Total			96,500

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable:			
Within one year or on demand	2,199	137,162	96,500

Note (a):

The Group's bank loans amounting to RMB1,196,000 as at 31 December 2023 were secured by the buildings situated in the Chinese mainland which were jointly owned by Mr. Xiao Jiantao, the key management personnel of the Group and Ms. Zou Guohui, an independent third party. The guarantee had been released on 2 May 2024 as the bank loan was fully repaid in 2024.

Hangzhou HIPAC Internet has guaranteed the Group's bank loans of up to RMB33,000,000, RMB44,000,000 and RMB44,000,000 as at 31 December 2023, 2024 and 2025, respectively. The guarantee agreement shall remain valid until 18 November 2027.

Hangzhou Yangtuo Internet has guaranteed the Group's bank loans of up to RMB10,000,000 as at 31 December 2025. The guarantee agreement shall remain valid until 28 August 2028.

Hangzhou HIPAC Internet and Hangzhou Yangtuo Internet have jointly guaranteed the Group's bank loans of up to RMB22,500,000 and RMB22,500,000 as at 31 December 2024 and 2025, respectively. The guarantee agreement shall remain valid until 3 September 2027.

Note (b):

During the years ended 31 December 2024 and 2025, the Group discounted certain bills receivable and letter of credit accepted by certain banks in the Chinese mainland with an aggregate carrying amount of RMB116,140,000 and RMB66,500,000, respectively. The Group's bills and letter of credit were issued by one of the Company's subsidiaries to another subsidiary for digital marketplace services, were aged within one year and were neither past due nor impaired.

As at 31 December 2024, bills of RMB30,000,000 issued by one of the Company's subsidiaries to another subsidiary were secured by the time deposits of RMB30,993,000 and the remaining bills of RMB66,140,000 were secured by bank balances of RMB22,363,000 (note 23).

As at 31 December 2024, letter of credit of RMB20,000,000 issued by one of the Company's subsidiaries to another subsidiary were guaranteed by Hangzhou Yangtuo Internet.

As at 31 December 2025, bills of RMB20,000,000 issued by one of the Company's subsidiaries to another subsidiary were secured by bank balances of RMB6,000,000 (note 23) and the remaining bills of RMB37,000,000 were guaranteed by Hangzhou Yangtuo Internet.

As at 31 December 2025, letter of credit of RMB9,500,000 issued by one of the Company's subsidiaries to another subsidiary were secured by bank balances of RMB5,605,000 (note 23).

29. DEFERRED TAX

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

Deferred tax assets

	Lease Liabilities	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	1,496	117	1,613
Deferred tax charged to profit or loss during the year *(note 10)*	(664)	(117)	(781)
At 31 December 2023 and 1 January 2024	832	—	832
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	(660)	36	(624)
At 31 December 2024 and 1 January 2025	172	36	208
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	1,786	(36)	1,750
At 31 December 2025	1,958	—	1,958

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,613
Deferred tax credited to profit or loss during the year *(note 10)*	(781)
At 31 December 2023 and 1 January 2024	832
Deferred tax credited to profit or loss during the year *(note 10)*	(624)
At 31 December 2024 and 1 January 2025	208
Deferred tax charged to profit or loss during the year *(note 10)*	1,750
At 31 December 2025	1,958

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

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognised in the consolidated statements of financial position	—	—	—

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

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	27,198	28,403	269,307
Tax losses	468,248	442,810	413,438
Total	495,446	471,213	682,745

The Group has tax losses arising in the Chinese mainland of RMB468,248,000, RMB442,810,000 and RMB413,438,000 as at 31 December 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the above items as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group. As at 31 December 2023, 2024 and 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

30. SHARE CAPITAL

	As at 31 December		
	2023	2024	2025
	USD	*USD*	*USD*
Authorised:			
Ordinary and preferred shares of USD0.0001 each	50,000	50,000	50,000

The Company was incorporated on 28 April 2015 with authorised share capital of USD50,000 divided into 500,000,000 shares of USD0.0001 each.

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

	Number of ordinary shares in issue	Share capital	Share capital
		USD'000	RMB'000
At 1 January 2023, 31 December 2023, 31 December 2024, and 31 December 2025	98,436,124	10	63

A summary of movements of the Company's ordinary shares held under the share incentive scheme (i.e., the treasury shares) is as follows:

	Number of shares held for share incentive scheme	Shares held for share incentive scheme
		RMB'000
At 1 January 2023	—	—
Shares repurchased *(note (a))*	32,200,000	99,808
At 31 December 2023, 31 December 2024 and 1 January 2025	32,200,000	99,808
Transfer of vested awarded shares to awardees *(note (b))*	(15,423,586)	(47,807)
At 31 December 2025	16,776,414	52,001

Notes:

(a) The Company repurchased 32,200,000 of its ordinary shares held by shareholders during the year ended 31 December 2023 at a total consideration of USD14,000,000 (equivalent to approximately RMB99,808,000). These repurchased shares were not cancelled during the Relevant Periods. As at 31 December 2024, a total number of 32,200,000 repurchased shares remained held for the share incentive scheme.

(b) On 20 June 2025, the Company transferred 15,423,586 ordinary shares to awardees for rewarding the Group's employees under the share incentive scheme, details of which are included in note 31 to the Historical Financial Information. Accordingly, the total number of 16,776,414 treasury shares as at 31 December 2025 were still held by the Company for the share incentive scheme.

31. SHARE-BASED PAYMENTS

2015 Share Incentive Scheme

The Company adopted a share incentive scheme in 2015 (the "**2015 Share Incentive Scheme**") for the purpose of providing incentives or rewards to eligible persons for their contributions to, and continuing efforts to promote, the interests of the Group. The 2015 Share Incentive Scheme was amended and clarified on 19 November 2020 and 12 June 2025. Eligible participants of the scheme include directors and employees of the Company or any of its subsidiaries, consultants and business partners of the Group. The scheme became effective in 2015 and, unless otherwise cancelled or amended, will remain in force for 15 years from the date of grant. There is no performance target required except that the eligible participant must remain in service for the Group during the vesting period.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2015 Share Incentive Scheme and any other share option schemes or share award schemes of the Company must not, in aggregate, exceed 39,928,957 shares. No options may be granted under the 2015 Share Incentive Scheme and any other share option schemes of the Company if this would result in such a limit being exceeded.

The exercise price of the share options is determinable by the board of directors and must be at least higher than the nominal value of a Company's share.

Once a share option is granted to an employee/grantee, it is not assignable or transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any share option.

The fair value of share options granted is recognised in profit or loss considering the probability that the options will vest over the vesting period. Upon the exercise of the options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account. When the share options are forfeited or remain not exercised at the expiry date, the amount previously recognised in share option reserve is transferred to accumulated losses. Lapsed options, prior to their exercise date, are deleted from the outstanding options. All equity-settled share-based compensation expenses are settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share options can be vested in accordance with the following schedule:

(1) 25% of the total number of the options granted are exercisable at any time on or after the first anniversary of the date of grant;

(2) another 25% of the total number of the options granted are exercisable at any time on or after the second anniversary of the date of grant;

(3) another 25% of the total number of the options granted are exercisable at any time on or after the third anniversary of the date of grant;

(4) the remaining 25% of the total number of the options granted are exercisable at any time on or after the fourth anniversary of the date of grant.

For share options under the 2015 Share Incentive Scheme, if an employee leaves the Group, the options would forfeit if the grantee did not exercise.

Share options granted under 2015 Share Incentive Scheme

The following share options were outstanding under the 2015 Share Incentive Scheme during the Relevant Periods:

	2023		2024		2025	
	Weighted average exercise price	**Number of options**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**	**Number of options**
	USD per share	*'000*	*USD per share*	*'000*	*USD per share*	*'000*
Outstanding at beginning of year	0.70	13,825	0.66	12,167	0.17	11,826
Granted during the year	1.20	390	0.53	350	0.09	5,961
Forfeited during the year	1.02	(2,048)	1.11	(691)	0.10	(2,167)
Outstanding at end of year**	0.66	12,167	0.17*	11,826	0.15	15,620
Exercisable at end for year**	0.65	10,205	0.17*	10,767	0.15	9,790

* On 8 November 2024, the Company entered into a confirmation letter on the adjustment of exercise price with the grantees under the 2015 Share Incentive Scheme, which adjusts the exercise price to USD0.20 if the exercise price is greater than USD0.20. If the exercise price is less than or equal to USD0.20, the exercise price remains unchanged. The additional share option expenses of RMB26,359,000 related to this adjustment were recognised during the year ended 31 December 2024. The exercise prices for the 2015 Share Incentive Scheme range from USD0.16 to USD0.20.

** As at 31 December 2023, 2024 and 2025, the numbers of outstanding and exercisable share options granted to business partners were 1,702,940, 1,702,940 and 1,702,940, respectively, which were not included in the above table.

There was no share option exercised during the years ended 31 December 2023, 2024 and 2025.

The fair values of the share options granted during the years ended 2023, 2024 and 2025 was USD254,000, USD360,000 and USD7,863,000, respectively. During the years ended 2023, 2024 and 2025, the Group recognised share option expenses for employees under the 2015 Share Incentive Scheme of RMB2,852,000, RMB2,052,000 and RMB10,936,000, respectively.

The fair value of share options granted under the 2015 Share Incentive Scheme was calculated using the binomial option pricing model. The following table lists the inputs to the model used:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
Dividend yield (%)	0.00	0.00	0.00
Expected volatility (%)	48.3–49.2	48.3–48.9	47.9
Risk-free interest rate (%)	3.98–4.05	4.51–4.82	4.36
Expected life of options (year)	10.00	10.00	10.00
Weighted average share price (USD per share)	1.3108–1.4145	1.3597–1.4158	1.3988

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

As at 31 December 2025, the Company had 17,323,059 share options outstanding under the 2015 Share Incentive Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 17,323,059 additional ordinary shares of the Company and additional share capital of USD1,732 (before issue expenses).

Shares awarded under 2015 Share Incentive Scheme

On 20 June 2025, the board of directors passed a resolution to grant 6,139,574 awarded shares to certain selected employee participants, and the awarded shares can be vested in accordance with the following schedule:

(1) 25% of the total number of the awarded shares granted are vested on the first anniversary of the date of grant;

(2) another 25% of the total number of the awarded shares granted are vested on the second anniversary of the date of grant;

(3) another 25% of the total number of the awarded shares granted are vested on the third anniversary of the date of grant;

(4) the remaining 25% of the total number of the awarded shares granted are vested on the fourth anniversary of the date of grant.

No share awards were vested during the year ended 31 December 2025. The fair value of the awards was measured at the date of grant, which was estimated based on the price of ordinary shares on the grant date. The fair value of the awarded shares granted on 20 June 2025 was USD1.3988 per awarded share. The fair value of the awarded shares is recognised as an expense over the vesting period.

For the years ended 31 December 2023, 2024 and 2025, the Group recognised share award expenses under 2015 Share Incentive Scheme of nil, nil and RMB17,131,000, respectively.

2023 Share Incentive Scheme

On 1 August 2023, the Company adopted a new share incentive scheme (the "**2023 Share Incentive Scheme**"), which was further amended on 12 June 2025, for the purpose of providing incentives or rewards to eligible persons for their contributions to, and continuing efforts to promote, the interests of the Group.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2023 Share Incentive Scheme and any other share option schemes or share award schemes of the Company, must not, in aggregate, exceed 32,200,000 shares.

On 20 June 2025, the board of directors passed a resolution to grant 32,200,000 awarded shares to certain selected participants. 15,423,586 awarded shares were vested on 20 June 2025 and the remaining 16,776,414 awarded shares can be vested in accordance with the following schedule:

(1) 1/3 of 16,776,414 awarded shares granted are vested on the first anniversary of the date of grant;

(2) another 1/3 of 16,776,414 awarded shares granted are vested on the second anniversary of the date of grant;

(3) the remaining 1/3 of 16,776,414 awarded shares granted are vested on the third anniversary of the date of grant.

The fair value of the awards was measured at the date of grant, which was estimated based on the price of ordinary shares on the grant date. The fair value of the awarded shares granted on 20 June 2025 was USD1.3988 per awarded share. The fair value of the 16,776,414 awarded shares is recognised as an expense over the vesting period.

For the year ended 31 December 2025, the Group recognised share award expenses under 2023 Share Incentive Scheme of RMB209,587,000.

32. RESERVES

The Group

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

Share premium

The share premium of the Company represents the premium arising from the issue of shares at a price in excess of their par value.

Share option reserve and share award reserve

The share option and share award reserve of the Group represents the fair value of the share options and awarded shares granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 2.4 to the Historical Financial Information.

Other capital reserve

The other capital reserve of the Group represents the fair value of the share options granted to business partners of the Group, and the difference between the purchase price paid/payable and the carrying amounts of the non-controlling interests acquired arising from acquisition of non-controlling interests without loss of control.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented below:

	Share premium	Share option and share award reserve	Other capital reserve*	Exchange fluctuation reserve	Accumulated losses	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	44,148	21,601	9,155	(115,952)	(1,118,512)	(1,159,560)
Loss and total comprehensive loss for the year	—	—	—	(37,153)	(70,052)	(107,205)
Equity-settled share option arrangements	—	2,852	—	—	—	2,852
Transfer of share option reserve upon the forfeiture or expiry of share options	—	(2,597)	—	—	2,597	—
At 31 December 2023 and 1 January 2024	44,148	21,856	9,155	(153,105)	(1,185,967)	(1,263,913)
Loss and total comprehensive loss for the year	—	—	—	(36,749)	(75,465)	(112,214)
Equity-settled share option arrangements	—	28,411	—	—	—	28,411
Transfer of share option reserve upon the forfeiture or expiry of share options	—	(1,600)	—	—	1,600	—
At 31 December 2024	44,148	48,667	9,155	(189,854)	(1,259,832)	(1,347,716)
Loss and total comprehensive income/(loss) for the year	—	—	—	57,760	(152,710)	(94,950)
Transfer of vested awarded shares to awardees	106,867	(154,674)	—	—	—	(47,807)
Equity-settled share incentive arrangements	—	237,654	—	—	—	237,654
Transfer of share option reserve upon the forfeiture or expiry of share options	—	(7,152)	—	—	7,152	—
At 31 December 2025	151,015	124,495	9,155	(132,094)	(1,405,390)	(1,252,819)

* The other capital reserve of the Company represents the fair value of the share options granted to business partners of the Group.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

The Group had non-cash additions to right-of-use assets and lease liabilities of RMB5,319,000 and RMB13,159,000 during the years ended 31 December 2023 and 2025, respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

	Convertible redeemable preferred shares	Bank borrowings	Leases liabilities	Due to related parties
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,255,240	1,196	9,573	—
Changes from financing cash flows	—	1,000	(6,532)	(50,631)
Additions	—	—	5,319	—
Lease modification	—	—	(3,083)	—
Interest expense	—	3	463	—
Shares repurchased	—	—	—	99,808
Changes in fair value	72,989	—	—	—
Exchange realignment	38,614	—	—	—
At 31 December 2023 and 1 January 2024	2,366,843	2,199	5,740	49,177
Changes from financing cash flows	(78,122)	132,136	(4,731)	(49,177)
Interest expense	—	2,827	137	—
Changes in fair value	76,183	—	—	—
Exchange realignment	35,086	—	—	—
At 31 December 2024 and 1 January 2025	2,399,990	137,162	1,146	—
Changes from financing cash flows	(172,364)	(42,328)	(1,150)	—
Additions	—	—	13,159	—
Changes from operating cash flows	—	—	—	73
Interest expense	—	1,666	80	—
Changes in fair value	147,776	—	—	—
Exchange realignment	(51,973)	—	—	—
At 31 December 2025	2,323,429	96,500	13,325	73

(c) Total cash outflow for leases

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

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	343	177	1,628
Within financing activities	6,532	4,731	1,150
Total	6,875	4,908	2,778

34. COMMITMENTS

At the end of each of the Relevant Periods, the Group and the Company did not have any significant commitment.

35. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's financial instruments are included in notes 23, 26 and 28 to the Historical Financial Information.

36. RELATED PARTY TRANSACTIONS

The following four entities are the shareholders of the Company and controlled by the key management personnel of the Company:

Name	Name of key management personnel
Fun Can Co., Ltd. ("**Fun Can**")	Mr. Wu Tao
Penelope Goose Co., Ltd. ("**Penelope Goose**")	Mr. Ni Huan
Lotus Lantern Co., Ltd. ("**Lotus Lantern**")	Mr. Xiao Jiantao
The Black Bone Co., Ltd. ("**The Black Bone**")	Mr. Zhang Meigen
Hangzhou Beiqi	An associate

(a) The Group had the following transactions with related parties during the Relevant Periods:

		Year ended 31 December		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Shares repurchased				
Fun Can	(i)	49,177	—	—
Penelope Goose	(i)	21,925	—	—
Lotus Lantern	(i)	21,925	—	—
The Black Bone	(i)	6,781	—	—
Total		99,808	—	—
Payments by:				
Hangzhou Beiqi	(ii)	—	—	364

Note:

(i) During the year ended 31 December 2023, 14,144,584, 7,818,640, 7,818,640 and 2,418,136 ordinary shares were repurchased from Fun Can, Penelope Goose, Lotus Lantern and The Black Bone, respectively.

(ii) During the year ended 31 December 2025, the payments by Hangzhou Beiqi on behalf of the Group amounted to RMB364,000.

(b) Outstanding balances with related parties:

The Group

		As at 31 December		
		2023	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Due to related parties				
Fun Can	(i)	43,558	—	—
Penelope Goose	(i)	2,433	—	—
Lotus Lantern	(i)	2,433	—	—
The Black Bone	(i)	753	—	—
Hangzhou Beiqi	(ii)	—	—	73
Total		49,177	—	73

The Company

		As at 31 December		
		2023	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Due to related parties				
Fun Can	(i)	43,558	—	—
Penelope Goose	(i)	2,433	—	—
Lotus Lantern	(i)	2,433	—	—
The Black Bone	(i)	753	—	—
Total		49,177	—	—

Notes:

(i) The balances due to related parties above are related to the outstanding payables for repurchase of the Company's ordinary shares, and are unsecured, interest-free and repayable on demand.

(ii) The balances due to Hangzhou Beiqi above are unsecured, interest-free and repayable on demand.

(iii) The balances with subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,616	2,398	2,396
Performance related bonuses	1,712	360	591
Equity-settled share-based payments	88	2,814	167,554
Pension scheme contributions	27	32	38
Total compensation paid to key management personnel	3,443	5,604	170,579

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

37. FINANCIAL INSTRUMENTS BY CATEGORY

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

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	6,028	6,028
Financial assets included in prepayments, deposits and other receivables	—	—	91,765	91,765
Equity investments designated at FVTOCI	—	2,294	—	2,294
Financial assets at FVTPL	25,458	—	—	25,458
Derivative financial instruments	1,734	—	—	1,734
Pledged and time deposits	—	—	240,452	240,452
Restricted cash	—	—	7,680	7,680
Cash and cash equivalents	—	—	388,274	388,274
Total	27,192	2,294	734,199	763,685

Financial liabilities

	Financial liabilities at fair value through profit or loss			
	Designated as such upon initial recognition	**Held for trading**	**Financial liabilities at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	—	—	13,773	13,773
Financial liabilities included in other payables and accruals	—	—	299,328	299,328
Derivative financial instruments	—	2,016	—	2,016
Convertible redeemable preferred shares	2,366,843	—	—	2,366,843
Interest-bearing bank borrowings	—	—	2,199	2,199
Lease liabilities	—	—	5,740	5,740
Due to related parties	—	—	49,177	49,177
Total	2,366,843	2,016	370,217	2,739,076

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such	**Equity investments**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	13,535	13,535
Financial assets included in prepayments, deposits and other receivables	—	—	77,202	77,202
Equity investments designated at FVTOCI	—	1,849	—	1,849
Financial assets at FVTPL	46,092	—	—	46,092
Pledged and time deposits	—	—	137,846	137,846
Restricted cash	—	—	4,942	4,942
Cash and cash equivalents	—	—	368,461	368,461
Total	46,092	1,849	601,986	649,927

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	—	14,645	14,645
Financial liabilities included in other payables and accruals	—	210,461	210,461
Convertible redeemable preferred shares	2,399,990	—	2,399,990
Interest-bearing bank borrowings	—	137,162	137,162
Lease liabilities	—	1,146	1,146
Total	2,399,990	363,414	2,763,404

31 December 2025

Financial assets

	Financial assets at fair value through other comprehensive income		
	Equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	—	4,671	4,671
Financial assets included in prepayments, deposits and other receivables	—	39,352	39,352
Equity investments designated at FVTOCI	911	—	911
Pledged deposits	—	11,728	11,728
Restricted cash	—	154,053	154,053
Cash and cash equivalents	—	165,102	165,102
Total	911	374,906	375,817

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Designated as such upon initial recognition	**Financial liabilities at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	—	10,948	10,948
Financial liabilities included in other payables and accruals	—	189,405	189,405
Convertible redeemable preferred shares	2,323,429	—	2,323,429
Interest-bearing bank borrowings	—	96,500	96,500
Due to a related party	—	73	73
Total	2,323,429	296,926	2,620,355

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

The fair values of the non-current portion of time deposits had been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amounts of non-current portion of time deposits approximated to their fair values.

The Group invested in unlisted investments, which represented certain financial products issued by commercial banks. The Group had estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of equity investments designated at FVTOCI have been estimated using a market-based valuation technique based on assumptions that supported by price to sales ("**P/S**") multiples of comparable companies. The Group believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods.

The Group entered into derivative financial instruments with financial institutions. Derivative financial instruments, including forward currency contracts, were measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts were the same as their fair values.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025:

31 December 2023

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of fair value to the input
Equity investments designated at FVTOCI — unlisted equity securities of Heming Jiugao of RMB2,294,000	Market multiples with an adjustment of lack of marketability discount ("**DLOM**")	P/S	1.66x	10% increase/(decrease) in P/S would result in increase/ (decrease) in fair value by RMB229,000/(RMB229,000)
		DLOM	25%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB76,000)/RMB76,000

31 December 2024

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of fair value to the input
Equity investments designated at FVTOCI — unlisted equity securities of Heming Jiugao of RMB1,849,000	Market multiples with an adjustment of DLOM	P/S	1.77x	10% increase/(decrease) in P/S would result in increase/ (decrease) in fair value by RMB185,000/(RMB185,000)
		DLOM	25%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB62,000)/RMB62,000

31 December 2025

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of fair value to the input
Equity investments designated at FVTOCI — unlisted equity securities of Heming Jiugao of RMB911,000	Market multiples with an adjustment of DLOM	P/S	1.87x	10% increase/(decrease) in P/S would result in increase/ (decrease) in fair value by RMB91,000/(RMB91,000)
		DLOM	25%	10% increase/(decrease) in DLOM would result in (decrease)/ increase in fair value by (RMB30,000)/RMB30,000

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at FVTOCI	—	—	2,294	2,294
Financial assets at FVTPL	—	25,458	—	25,458
Derivative financial instruments	—	1,734	—	1,734
Total	—	27,192	2,294	29,486

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at FVTOCI	—	—	1,849	1,849
Financial assets at FVTPL	—	46,092	—	46,092
Total	—	46,092	1,849	47,941

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at FVTOCI	—	—	911	911

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Equity investments designated at FVTOCI			
At beginning of year	—	2,294	1,849
Purchases	3,000	—	—
Total loss recognised in other comprehensive income	(706)	(445)	(938)
At end of year	2,294	1,849	911

Liabilities measured at fair value:

The methodology used to determine the fair value of convertible redeemable preferred shares and the significant unobservable key inputs to the valuation of these preferred shares are included in note 27 to the Historical Financial Information.

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	2,016	—	2,016
Convertible redeemable preferred shares	—	—	2,366,843	2,366,843
Total	—	2,016	2,366,843	2,368,859

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	—	—	2,399,990	2,399,990

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	—	—	2,323,429	2,323,429

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares			
At beginning of year	2,255,240	2,366,843	2,399,990
Changes in fair value	72,989	76,183	147,776
Repurchase of preferred shares	—	(78,122)	(172,364)
Exchange realignment	38,614	35,086	(51,973)
At end of year	2,366,843	2,399,990	2,323,429

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

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank borrowings, cash and cash equivalents, pledged and time deposits, restricted cash and financial assets at FVTPL. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, other payables and accruals and trade payables, which arise directly from its operations.

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

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD, JPY and NZD exchange rates, with all other variables held constant, of the Group's profit/loss before tax (arising from USD, JPY and NZD denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency	Decrease/ (increase) in loss before tax	Increase/ (decrease) in equity*
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2023			
If RMB weakens against USD	5	5,042	4,286
If RMB strengthens against USD	(5)	(5,042)	(4,286)
If RMB weakens against JPY	5	3,624	3,080
If RMB strengthens against JPY	(5)	(3,624)	(3,080)
Year ended 31 December 2024			
If RMB weakens against USD	5	239	203
If RMB strengthens against USD	(5)	(239)	(203)
Year ended 31 December 2025			
If RMB weakens against USD	5	1,439	1,223
If RMB strengthens against USD	(5)	(1,439)	(1,223)
If RMB weakens against NZD	5	457	388
If RMB strengthens against NZD	(5)	(457)	(388)

* The impact on the Group's equity is due to the effect of profit/loss after tax.

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For other receivables, the Group makes periodic collective assessments as well as individual assessments on the recoverability of these instruments based on historical settlement records and past experience.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023, 2024 and 2025. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	6,061	6,061
Financial assets included in prepayments, deposits and other receivables					
— Normal**	93,399	—	—	—	93,399
— Doubtful**	—	—	540	—	540
Pledged and time deposits					
— Not yet past due	240,452	—	—	—	240,452
Restricted cash					
— Not yet past due	7,680	—	—	—	7,680
Cash and cash equivalents					
— Not yet past due	388,274	—	—	—	388,274
Total	729,805	—	540	6,061	736,406

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	13,637	13,637
Financial assets included in prepayments, deposits and other receivables					
— Normal**	78,329	—	—	—	78,329
— Doubtful**	—	—	1,532	—	1,532
Pledged and time deposits					
— Not yet past due	137,846	—	—	—	137,846
Restricted cash					
— Not yet past due	4,942	—	—	—	4,942
Cash and cash equivalents					
— Not yet past due	368,461	—	—	—	368,461
Total	589,578	—	1,532	13,637	604,747

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	4,709	4,709
Financial assets included in prepayments, deposits and other receivables					
— Normal**	42,190	—	—	—	42,190
— Doubtful**	—	—	413	—	413
Pledged deposits					
— Not yet past due	11,728	—	—	—	11,728
Restricted cash					
— Not yet past due	154,053	—	—	—	154,053
Cash and cash equivalents					
— Not yet past due	165,102	—	—	—	165,102
Total	373,073	—	413	4,709	378,195

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the Historical Financial Information.

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

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in notes 20 and 21 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

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

	As at 31 December 2023				
	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	13,773	—	—	—	13,773
Financial liabilities included in other payables and accruals	299,328	—	—	—	299,328
Derivative financial instruments	—	2,016	—	—	2,016
Convertible redeemable preferred shares	2,366,843	—	—	—	2,366,843
Interest-bearing bank borrowings	—	22	2,244	—	2,266
Lease liabilities	—	1,163	3,568	1,150	5,881
Due to related parties	49,177	—	—	—	49,177
Total	2,729,121	3,201	5,812	1,150	2,739,284

	As at 31 December 2024				
	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	14,645	—	—	—	14,645
Financial liabilities included in other payables and accruals	210,461	—	—	—	210,461
Convertible redeemable preferred shares	2,399,990	—	—	—	2,399,990
Interest-bearing bank borrowings	—	52,308	85,065	—	137,373
Lease liabilities	—	1,150	—	—	1,150
Total	2,625,096	53,458	85,065	—	2,763,619

	As at 31 December 2025					
	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	10,948	—	—	—	—	10,948
Financial liabilities included in other payables and accruals	189,405	—	—	—	—	189,405
Convertible redeemable preferred shares	2,323,429	—	—	—	—	2,323,429
Interest-bearing bank borrowings	—	86,593	10,213	—	—	96,806
Lease liabilities	—	—	—	2,219	17,199	19,418
Due to a related party	73	—	—	—	—	73
Total	2,523,855	86,593	10,213	2,219	17,199	2,640,079

Capital management

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

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

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes lease liabilities but excludes convertible redeemable preferred shares). Adjusted capital comprises equity attributable to owners of the parent and convertible redeemable preferred shares. The adjusted net debt-to-capital ratios as at 31 December 2023, 2024 and 2025 were as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	2,785,476	2,800,926	2,669,100
Less: Convertible redeemable preferred shares	(2,366,843)	(2,399,990)	(2,323,429)
Adjusted net debt	418,633	400,936	345,671
Equity attributable to owners of the parent	(1,917,772)	(2,001,193)	(2,074,550)
Add: Convertible redeemable preferred shares	2,366,843	2,399,990	2,323,429
Adjusted capital	449,071	398,797	248,879
Adjusted net debt-to-capital ratio	93.2%	100.5%	138.9%

40. EVENTS AFTER THE RELEVANT PERIODS

There are no significant events that require additional disclosure or adjustments occurred after the end of the Relevant Periods.

41. SUBSEQUENT FINANCIAL STATEMENTS

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