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You should read the following discussion and analysis in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a Southeast Asia-focused cross-border retail enterprise anchored by our digitalised capabilities. We have established ourselves as a China-based outbound brand owner of 3C accessories and small appliances, driven by a clear strategic mandate for global expansion. According to Frost & Sullivan, in terms of retail sales value in 2025, we were the No. 1 company in Indonesia in the 3C accessories sector, with a market share of approximately 2.2%, and we ranked No. 6 as a China-based cross-border company in the small appliances sector, with a market share of approximately 3.7% of the China-to-Indonesia small appliances export market. Our leadership is underpinned by our proprietary brands, scale, product breadth and depth and end-to-end capabilities spanning product procurement, supply chain, retail operations and after-sales services. We sell a selected portfolio of products to overseas merchants and consumers with a strategic focus in Southeast Asia, and predominantly in Indonesia. Our target customers are mainly SMRs such as local shops selling 3C accessories and small appliances. We also conduct our sales to end-customers through third-party e-commerce platforms that are popular in the local markets and livestreaming platforms such as TikTok.

Our revenue increased from RMB908.4 million in 2023 to RMB1,048.7 million in 2024, and further increased to RMB1,216.9 million in 2025. Our gross profit increased from RMB305.1 million in 2023 to RMB373.4 million in 2024, and further increased to RMB451.5 million in 2025. Our revenue increased from RMB573.0 million for the six months ended June 30, 2025 to RMB699.4 million for the six months ended June 30, 2026, respectively, and our gross profit increased from RMB211.7 million to RMB271.0 million during the same periods.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information adopted are set out in Note 2 to the Accountants’ Report included in Appendix I to this document.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the historical financial information, our Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 38 to the Accountants’ Report included in Appendix I to this document.

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MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The following factors are the principal factors that have affected and, we expect, will continue to affect our business, financial condition, results of operations and prospects:

General Factors

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are outside of our control, including the following:

- Macroeconomic developments;
- Overall economic conditions, consumption levels and consumer habits in the markets where we sell our products;
- Competition landscape in the Chinese market and in the markets where we sell our products;
- Changes in international trade policies, geopolitical developments and changes in laws and regulations;
- Force majeure events.

Company-specific Factors

Ability to Develop Products that Meet Customer Demands

We are committed to aligning our product development closely with customer requirements and market dynamics through an integrated approach.

Frontline Operations. We maintain a dedicated sales force with extensive coverage across offline channels, online e-commerce platforms and livestreaming channels, providing real-time market intelligence and emerging trends.

Mid-office Capabilities. Our specialized online and offline marketing teams continuously monitor market fluctuations and collect consumer feedback on our products. We also regularly conduct large-scale surveys and polls among our customers to understand future product development trends, customer preferences and price sensitivity, thereby obtaining forward-looking information for product development.

Back-Office Analytics. Our analytical team employs advanced data intelligence tools to conduct in-depth analysis of purchasing behaviors across both online and offline channels. These analytical capabilities enable us to systematically assess market feasibility of our products and generate data-driven recommendations for product iteration and optimization. Our product development, design and supply chain teams integrate and analyze the data collected from frontline sales, mid-office marketing and back-office operational analysis to drive product precision.

These strategies ensure that our product development remains responsive to customer demands and market dynamics, effectively enhancing product acceptance.

Abilities to Manage Our Sales and Distribution Network

Our sales and marketing efforts are primarily focused on Southeast Asian markets, including Indonesia, Vietnam, Thailand and the Philippines, with Indonesia representing our largest market. We primarily conduct our sales through distributors, which are also our target customers and mainly consist of SMRs such as local shops selling 3C accessories and small appliances. We have established localized sales teams and warehousing deployments in these locations, enabling us to maintain close relationships with our customers, understand their needs and provide more efficient and timely services and product deliveries.

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In addition to our primary offline distributor network, we also sell our products to end-customers through third-party e-commerce platforms that are popular in the local markets and livestreaming platforms such as TikTok. We have established our official stores on these platforms, maintained our own dedicated e-commerce operations team and livestreaming team, and have established our own livestreaming base. This integrated reach ensures wide market coverage and consistent execution across both online and offline touchpoints.

As of June 30, 2026, we had over 36,000 distributor customers, over 40 branch offices, over 100 mainstream e-commerce platform stores and livestreaming e-commerce platform stores, supporting our revenue growth during the Track Record Period.

Ability to identify Indonesian market demands and develop the Indonesian market

We officially commenced our business in Indonesia in 2018. The decision to prioritize the Indonesian market was based on Mr. Xu Longhua’s assessment of Indonesia as a large and fast-growing Southeast Asian consumer market with a young population and increasing demand for consumer electronics products, while the mid-to-low-end 3C accessories segment remained underpenetrated with limited availability of reliable and cost-effective branded products. Leveraging China’s established supply chain capabilities and Mr. Xu Longhua’s industry experience, we initially entered the market through 3C accessories such as power banks and established proprietary brands including VIVAN and ROBOT, supported by product quality assurance and after-sales warranty services to establish customer trust. We subsequently expanded our product portfolio into small appliances, home furnishings & building materials, and progressively scaled our operations through the development of the WOOL APP digital platform, the establishment of a local field sales team and regional offices, as well as enhanced warehousing and logistics infrastructure adapted to Indonesia’s multi-island geography.

Abilities to Manage Costs and Improve Operational Efficiency

Our abilities to manage costs and operating expenses play a critical role in our results of operations. Our primary costs consist of (i) procurement costs and (ii) transportation costs.

We manage procurement costs through a suite of initiatives, including (i) eliminating redundant product features and encouraging our teams to develop best-selling products to achieve economies of scale in procurement; (ii) closely monitoring fluctuations in the raw materials market and timely locking in procurement requirements to mitigate the impact of cost increases and (iii) establishing strategic partnerships with suppliers to jointly enhance automation capabilities, improve efficiency and further optimize procurement costs.

We manage transportation costs through a suite of initiatives, including (i) establishing consolidation warehouses domestically; (ii) entering into strategic contracts with logistics service providers and (iii) implementing centralized and unified procurement procedures. In our local sales regions, we optimize our warehousing network layout to enhance delivery efficiency.

We also continuously enhance our end-to-end digital management capabilities to support our business expansion needs at scale, optimize our management efficiency and improve profitability. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our gross profit margins were 33.6%, 35.6%, 37.1%, 36.9% and 38.7%, respectively.

Ability to Manage Foreign Exchange Rate Fluctuations Risk

Our operations are primarily conducted in Southeast Asian markets, with sales revenue settled in local currencies, including Indonesian Rupiah, Vietnamese Dong, Thai Baht and Philippine Peso. In contrast, our procurement activities are mainly sourced from China and settled in Renminbi. Consequently, fluctuations in exchange rates may affect the Renminbi value of assets, liabilities, revenue and costs denominated in foreign currencies within our overseas entities, thereby adversely impacting our consolidated financial statements. Frequent exchange rate volatility also complicates product pricing management and may weaken the overall competitiveness of our products. During the

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Track Record Period, we had net exchange gains of RMB6.1 million in 2023, and net exchange losses of RMB2.0 million, RMB18.2 million and RMB17.9 million in 2024, 2025 and the six months ended June 30, 2026, respectively, primarily due to unrealized exchange loss arising from the payables within the Group due to the depreciation of Rupiah against Renminbi during this period.

To mitigate the effects of currency volatility, we will continuously enhance analysis and research on exchange rate movements and proactively manage foreign exchange risks. In particular, we enter into foreign exchange forward contracts and other hedging arrangements with reputable financial institutions to hedge against anticipated foreign exchange exposures, primarily in respect of our foreign currency denominated receivables and payables. Such arrangements are generally structured to lock in exchange rates for expected settlement dates, with reference to the timing and amount of the underlying transactions, thereby reducing the impact of exchange rate fluctuations on our business performance. During the Track Record Period, we recorded net losses of RMB0.9 million and RMB1.3 million in 2023 and 2024, respectively, and net gains of RMB0.7 million, RMB0.01 million and RMB3.5 million in 2025, the six months ended June 30, 2025 and the six months ended June 30, 2026, respectively, from our foreign exchange forward contracts and other hedging arrangements. We have adopted internal control measures and policies for our hedging activities. Before entering into any hedging arrangements, our finance department prepares foreign currency cash flow forecasts and assesses our foreign exchange exposure based on the expected timing and amount of foreign currency receipts and payments. Hedging plans are formulated with reference to our actual business needs, market conditions and the expected settlement cycle of the underlying transactions, and are implemented only with licensed financial institutions. During the execution stage, we monitor exchange rate movements and the status of the relevant hedging arrangements, and maintain segregation of duties among transaction execution, accounting and review functions. After completion of the relevant transactions, we conduct reconciliation and review, maintain supporting records including contracts and transaction documents, and perform monthly reviews to optimize our foreign exchange risk management strategy and hedging arrangements.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note 2 of the Accountants’ Report set out in Appendix I to this document.

Revenue from Contracts with Customers

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value-added tax or other sales taxes.

We determine whether we are a principal or an agent, based on whether we obtain control of the specified good or service before that good or service is transferred to a customer. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services. We are a principal if we control the specified good or service before that good or service is

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transferred to a customer, and recognize revenue in the gross amount of consideration which we have received (or which is receivable). Otherwise, we are an agent, and recognize revenue in the amount of any fee or commission to which we expect to be entitled.

Inventories

Inventories are measured at the lower of cost and net realizable value as follows: Cost is calculated using FIFO method and it comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income (“OCI”) and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in OCI related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If we dispose of part of our interest in a subsidiary but retain control, then the relevant proportion of the cumulative amount is reattributed to NCI. When we dispose of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income in absolute amounts and as a percentage of revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
	(Unaudited)									
Revenue	908,358	100.0	1,048,742	100.0	1,216,944	100.0	573,044	100.0	699,357	100.0
Cost of sales	(603,296)	(66.4)	(675,360)	(64.4)	(765,417)	(62.9)	(361,358)	(63.1)	(428,404)	(61.3)
Gross profit	305,062	33.6	373,382	35.6	451,527	37.1	211,686	36.9	270,953	38.7
Other net income	6,428	0.7	1,852	0.2	860	0.1	(2,963)	(0.5)	(14,064)	(2.0)
Research and development expenses . . .	(20,926)	(2.3)	(18,151)	(1.7)	(14,417)	(1.2)	(7,092)	(1.2)	(7,623)	(1.1)
Selling and distribution expenses	(166,694)	(18.4)	(207,488)	(19.8)	(270,519)	(22.2)	(124,931)	(21.8)	(163,542)	(23.4)
General and administrative expenses . . .	(71,046)	(7.8)	(88,487)	(8.4)	(74,167)	(6.1)	(32,251)	(5.6)	(41,238)	(5.9)
Impairment losses (recognised)/reversed on trade and other receivables	(950)	(0.1)	(1,401)	(0.1)	332	0.0	279	0.0	138	0.0
Profit from operations	51,874	5.7	59,707	5.7	93,616	7.7	44,728	7.8	44,624	6.5
Finance costs	(1,435)	(0.2)	(4,061)	(0.4)	(5,086)	(0.4)	(2,705)	(0.5)	(1,075)	(0.2)
Changes in the carrying amount of redemption liabilities	(19,511)	(2.1)	(22,720)	(2.2)	(25,246)	(2.1)	(12,183)	(2.1)	(12,365)	(1.8)
Share of losses of associates	(258)	(0.0)	(4,094)	(0.4)	(2,787)	(0.2)	(2,497)	(0.4)	—	—
Profit before taxation	30,670	3.4	28,832	2.7	60,497	4.9	27,343	4.8	31,184	4.5
Income tax	(12,351)	(1.4)	(8,479)	(0.8)	(12,545)	(1.0)	(5,687)	(1.0)	(6,388)	(1.0)
Profit for the year/period:	18,319	2.0	20,353	1.9	47,952	3.9	21,656	3.8	24,796	3.5

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profits (Non-IFRS Measure) for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period by excluding potential impacts of certain items. We believe this measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, such Non-IFRS measure that we present may not be directly comparable to similar measures presented by other companies. The use of this has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our results of operations or financial condition as reported under IFRS Accounting Standards.

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We define adjusted net profits (Non-IFRS Measure) for the year/period as net profit for the year/period adjusted by adding back (i) changes in the carrying amount of redemption liabilities, (ii) [REDACTED] and (iii) share-based payment expenses. The following table reconciles our adjusted net profits (Non-IFRS Measure) for the year/period with the nearest measures presented in accordance with IFRS Accounting Standards, which are profit for the year/period:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year/period .	18,319	20,353	47,952	21,656	24,796
Add:					
Changes in the carrying amount of redemption liabilities ⁽¹⁾	19,511	22,720	25,246	12,183	12,365
[REDACTED] ⁽²⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based payment expenses ⁽³⁾	8,968	35,970	—	—	3,748
Adjusted net profits (Non-IFRS Measure) for the year/period.	46,798	79,043	80,806	33,839	49,069

Notes:

- (1) Changes in the carrying amount of redemption liabilities represent by an increase over time in the finance costs relating to the shares with special rights held by certain shareholders. The carrying amounts of the redemption liabilities will be reclassified to equity upon the [REDACTED] of our H shares on the Stock Exchange.
- (2) [REDACTED] represent professional fees and other fees incurred in connection with the [REDACTED].
- (3) Share-based payment expenses relate to the non-cash employee benefit expenses incurred in connection with our award to management and key employees. The reconciling item is not expected to result in future cash payments and the adjustment has been consistently made during the Track Record Period.

While we achieved sustained business growth during the Track Record Period, we had a net profit of RMB18.3 million, RMB20.4 million and RMB48.0 million in 2023, 2024 and 2025, respectively, and net profits of RMB21.7 million and RMB24.8 million for the six months ended June 30, 2025 and 2026, respectively. After excluding the impact of share-based payment expenses, changes in the carrying amount of redemption liabilities and [REDACTED], we had adjusted net profits (Non-IFRS Measure) of RMB46.8 million, RMB79.0 million and RMB80.8 million in 2023, 2024 and 2025, respectively, and adjusted net profits (Non-IFRS Measure) of RMB33.8 million and RMB49.1 million for the six months ended June 30, 2025 and 2026, respectively. The adjusted net profits (Non-IFRS Measure) in 2025 include a gain on disposal of an associate of RMB16.6 million and net foreign exchange losses of RMB18.2 million. The adjusted net profits (Non-IFRS Measure) in the six months ended June 30, 2026 include net foreign exchange losses of RMB17.9 million.

Revenue

During the Track Record Period, we mainly derived revenue from sales of products in Indonesia, Vietnam, Thailand and the Philippines.

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Revenue by product category

The following table sets forth a breakdown of our revenue by product category, in absolute amounts and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000 (unaudited)	% of Revenue	RMB'000	% of Revenue
3C accessories.	692,611	76.2	751,587	71.7	813,384	66.8	397,642	69.4	405,581	58.0
Small appliances.	40,065	4.4	103,741	9.9	171,006	14.1	69,188	12.1	145,861	20.9
Home furnishings & building materials.	67,688	7.5	88,968	8.5	133,528	11.0	59,948	10.5	93,784	13.4
Others ⁽¹⁾	107,994	11.9	104,446	9.9	99,026	8.1	46,266	8.0	54,131	7.7
Total.	908,358	100.0	1,048,742	100.0	1,216,944	100.0	573,044	100.0	699,357	100.0

Note:

- (1) Others primarily consist of (i) sales of other products, such as lifestyle products, stationery and electric two-wheelers and (ii) offering of warehousing services.

We offer products under a broad range of “home and life” scenarios. We primarily generate revenue from sales of products in (i) 3C accessories, (ii) small appliances and (iii) home furnishings & building materials. We also sell other products such as lifestyle products, stationery and electric two-wheelers. We mainly sell products to customers via proprietary mobile application, third-party e-commerce platforms, and livestreaming platforms. Revenue from the sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on receipt of the product by customers. During the Track Record Period, we also generated revenue from warehousing services. We provide warehousing services to facilitate the fulfillment of e-commerce orders.

For details in relation to the changes in our revenue by product category during the Track Record Period, see “— Year-to-Year Comparison of Results of Operations.”

Among our product categories, small appliances recorded the most significant increase in revenue during the Track Record Period. The increase in sales of small appliances was primarily attributable to (i) the expansion of our small appliance product portfolio; (ii) the increase in sales through our offline, e-commerce and live-streaming channels; (iii) our brand promotion initiatives; (iv) the expansion of our online stores and continued refinement of online sales operations; and (v) the expansion of sales of small appliances into new markets.

In terms of product portfolio expansion, during the Track Record Period, we launched and upgraded certain small appliance products, including food choppers, and introduced additional product categories under small appliances, including kitchen appliances, cookware, lifestyle appliances, personal care appliances, air and water appliances, air fryer and oven appliances, cleaning appliances and food processors. In terms of sales channels, we increased our sales efforts through offline, e-commerce and live-streaming channels, which supported the sales growth of small appliances. In terms of brand promotion, we engaged brand ambassadors and conducted systematic brand promotion activities during the Track Record Period. In addition, we expanded our online stores and continued to refine our online sales operations, including through team resource allocation and more targeted online

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operation management. We also expanded the sales of small appliances into new markets, including Vietnam, Thailand and the Philippines. The following table sets forth a breakdown of our sales volume and ASP of our key products by product category for the years/periods indicated⁽¹⁾⁽²⁾:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume (in thousand pieces)	ASP (RMB)	Sales volume (in thousand pieces)	ASP (RMB)	Sales volume (in thousand pieces)	ASP (RMB)	Sales Volume (in thousand pieces)	ASP (RMB)	Sales Volume (in thousand pieces)	ASP (RMB)
3C accessories.	24,567	28	25,687	29	27,219	30	13,418	30	13,839	29
Small appliances.	739	54	2,046	51	3,764	45	1,396	50	3,161	46
Home furnishings & building materials.	10,474	6	12,919	7	15,756	8	7,712	8	10,713	9
Others ⁽¹⁾	3,647	30	10,611	8	8,923	11	4,317	11	4,471	12
Total.	39,427	23	51,263	20	55,662	22	26,843	21	32,184	22

Notes:

- (1) The sales volume of others does not comprise warehousing services.
- (2) For 3C accessories, small appliances, home furnishings & building materials and others, ASP equals revenue generated from the sale of relevant products divided by the sales volume of the respective products. For the “Total” row, the ASP is calculated by dividing the revenue by the sales volume of products. For the purpose of calculating ASP, “pieces” refers to the number of individual product units sold.
- (3) Others primarily consist of sales of other products, such as lifestyle products, stationery and electric two-wheelers.

During the Track Record Period, the ASP for our 3C accessories, home furnishings & building materials steadily increased, primarily attributable to (i) the expansion and diversification of product portfolio, and (ii) the optimization of customer operation strategies, despite a slight moderation for 3C accessories in the six months ended June 30, 2026 due to an increased sales proportion of lower-ASP items and the depreciation of the Indonesian Rupiah against the Renminbi during the six months ended June 30, 2026. The decline in ASP for small appliances was primarily attributable to a shift in product mix toward lower-priced items and the depreciation of the Indonesian Rupiah against the Renminbi during the six months ended June 30, 2026. In 2024, we streamlined our product portfolio and ceased to engage in the sale of relevant products with a higher ASP but a lower profit margin. As a result, the ASP of our products under “Others” category showed a substantial decrease. The relatively low ASP of home furnishings & building materials during the Track Record Period was mainly attributable to the product portfolio within this category. In particular, certain sub-categories with relatively lower ASP, including window treatments, flooring decoration and wall decoration products, contributed a relatively high proportion of the sales volume, which lowered the overall ASP.

Revenue of product sales by customer type

During the Track Record Period, our revenue from sales of goods was derived primarily from distributors and direct customers. The following table sets forth a breakdown of our revenue by customer type in absolute amounts and as a percentage of total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue
Sales to distributors	751,946	82.8	773,243	73.7	834,299	68.5	405,760	70.7	450,773	64.4
Direct customers.	156,412	17.2	253,413	24.2	359,893	29.6	155,127	27.2	241,014	34.5
Others ⁽¹⁾	—	—	22,086	2.1	22,752	1.9	12,157	2.1	7,570	1.1
Total.	908,358	100.0	1,048,742	100.0	1,216,944	100.0	573,044	100.0	699,357	100.0

Note:

- (1) Others consist of offering of warehousing services.

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Our revenue was mainly generated through distribution channels, accounting for 82.8%, 73.7%, 68.5%, 70.7% and 64.4% of total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The growth in our revenue during the Track Record Period was primarily driven by (i) the continued deepening and expansion of our distribution customer base through optimization of sales policies and product portfolio and expansion of our distributor network from the 3C accessories sector into home furnishings & building materials and small appliances industries, with average sales per order amounted to RMB1,794 in 2023, RMB1,739 in 2024 and RMB1,865 in 2025; (ii) the development of our direct sales channels, as reflected in the increase in their revenue contribution from 17.2% in 2023 to 24.2% in 2024, 29.6% in 2025, 27.2% during the six months ended June 30, 2025 and further to 34.5% during the six months ended June 30, 2026, which was supported by the expansion of e-commerce platforms and livestreaming channels, the growth of our dedicated operating team from over 70 personnel in 2023 to over 130 personnel in 2025, and of 2026, there are over 190 personnel and the increase in online stores from approximately 90 in 2023 to over 150 as of June 30, 2026; (iii) expansion into new product categories, in particular small appliances, which recorded a CAGR of over 100.0% during the Track Record Period and enhanced customer repurchase rate and average order value and (iv) geographical expansion in Southeast Asia, where we replicated our established Indonesia operating model into Vietnam, Thailand and the Philippines, and achieved revenue growth with a CAGR of over 40% in these markets, supported by localized operations, supply chain adaptation and coordinated channel development.

During the Track Record Period, our online direct sales channel, primarily conducted through e-commerce platforms such as Shopee, recorded steady growth in both revenue contribution and order volume. Revenue generated from Shopee was RMB98.0 million, RMB139.1 million, RMB193.6 million, RMB84.5 million and RMB127.5 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, accounting for 10.8%, 13.3%, 15.9%, 14.8% and 18.2% of our total revenue, respectively. In addition, while the average order value remained relatively stable at RMB45 in 2023, RMB48 in 2024, RMB47 in 2025 and RMB43 during the six months ended June 30, 2026, the number of online direct sales orders increased from 3,438,417 in 2023 to 5,329,977 in 2024 and 7,647,361 in 2025 and further increased to 5,629,083 during the six months ended June 30, 2026, reflecting sustained growth in underlying demand and continued improvement in platform penetration. We consider our online direct sales channel to have strong scalability, supported by the increasing penetration of e-commerce and livestreaming platforms and the ongoing shift in consumer purchasing behaviour towards online channels.

The ASP of sales to distributors decreased from RMB22 in 2023 to RMB17 in 2024, primarily due to changes in product portfolio. In particular, the revenue generated from home furnishings & building materials, which generally had relatively low ASP, increased from 7.5% in 2023 to 8.5% in 2024. The ASP of sales to distributors then increased to RMB18 in 2025 and remained stable at RMB18 in the six months ended June 30, 2026. The table below sets forth a breakdown of the sales volume of products sold and ASP by customer type during the Track Record Period:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales volume (in thousand pieces)	Average selling price (RMB)	Sales volume (in thousand pieces)	Average selling price (RMB)	Sales volume (in thousand pieces)	Average selling price (RMB)	Sales Volume (in thousand pieces)	Average selling price (RMB)	Sales Volume (in thousand pieces)	Average selling price (RMB)
Sales to distributors	34,749	22	44,722	17	46,052	18	22,922	18	25,462	18
Direct customers	4,678	33	6,541	39	9,610	37	3,921	40	6,722	36
Others ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	39,427	23	51,263	20	55,662	22	26,843	21	32,184	22

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Note:

(1) Others consist of offering of warehousing services.

Revenue of product sales by geographical market

During the Track Record Period, our revenue from sales of goods was derived from (i) Indonesia, (ii) Vietnam, (iii) Thailand, (iv) the Philippines and (v) others. The following table sets forth a breakdown of our revenue by geographical market in absolute amounts and as a percentage for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2023		2024		2025		2025		2026			
	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue	RMB'000	% of Revenue		
Indonesia	871,036	95.9	1,004,839	95.8	1,143,543	94.0	538,177	93.9	650,728	93.0		
Vietnam	21,422	2.4	19,145	1.9	29,160	2.4	14,190	2.6	21,881	3.2		
Thailand	9,500	1.0	13,002	1.2	22,930	1.9	10,491	1.8	13,656	2.0		
the Philippines	5,052	0.6	9,425	0.9	19,143	1.5	9,089	1.5	12,031	1.6		
Others	1,348	0.1	2,331	0.2	2,168	0.2	1,097	0.2	1,061	0.2		
Total	908,358	100.0	1,048,742	100.0	1,216,944	100.0	573,044	100.0	699,357	100.0		

From the geographical perspective, the majority of our revenue continues to be derived from Indonesia. The revenue from product sales in Indonesia represented 95.9%, 95.8%, 94.0%, 93.9% and 93.0% of total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the same periods, we are expanding into new markets across other countries, where revenue contribution increased from 4.1% in 2023 to 4.2% in 2024, 6.0% in 2025, 6.1% for the six months ended June 30, 2025 and further to 7.0% for the six months ended June 30, 2026.

Cost of Sales

Our cost of sales primarily consists of (i) procurement costs, (ii) write-down of inventories and (iii) transportation costs and others. The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as a percentage of cost of sales for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%		
Procurement costs	540,897	89.7	601,458	89.1	689,186	90.1	323,746	89.7	390,482	91.2		
Write-down of inventories	4,092	0.7	4,831	0.7	4,206	0.5	1,503	0.4	2,220	0.5		
Transportation costs and others	58,307	9.6	69,071	10.2	72,025	9.4	36,109	9.9	35,702	8.3		
Total cost of sales	603,296	100.0	675,360	100.0	765,417	100.0	361,358	100.0	428,404	100.0		

During the Track Record Period, procurement costs constituted the primary component of our cost of sales, accounting for 89.7%, 89.1%, 90.1%, 89.7% and 91.2%, of the total cost of sales in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

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Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit by product lines in absolute amounts and as a percentage of revenue, or gross profit margin, for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
3C accessories	235,469	34.0	280,702	37.3	313,969	38.6	153,920	38.7	159,566	39.3
Small appliances	13,533	33.8	38,132	36.8	71,959	42.1	28,281	40.9	68,233	46.8
Home furnishings & building materials	18,115	26.8	20,336	22.9	29,519	22.1	13,594	22.7	18,530	19.8
Others ⁽¹⁾	37,945	35.1	34,212	32.8	36,080	36.4	15,891	34.3	24,624	45.5
Total	305,062	33.6	373,382	35.6	451,527	37.1	211,686	36.9	270,953	38.7

Note:

- (1) Others primarily consist of (i) sales of other products, such as lifestyle products, stationery and electric two-wheelers and (ii) offering of warehousing services.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, our gross profit amounted to RMB305.1 million, RMB373.4 million, RMB451.5 million and RMB271.0 million, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the overall gross profit margin for our products was 33.6%, 35.6%, 37.1% and 38.7%, respectively. See “— Period-to-Period Comparison of Results of Operations” in relation to changes in revenue and gross profit margin of our products by product category. The increase of our gross profit margin during the Track Record Period was primarily attributable to (i) declining proportion of procurement costs as a key component of total cost of sales from 2023 to 2024 resulting from economies of scale and (ii) faster revenue growth attributable to sales to direct customers, which have higher gross profit margins compared with sales to distributors.

Other Net Income

Our other net income consists of (i) government grants; (ii) fair value changes on financial instruments measured at fair value through profit or loss; (iii) gains on disposal of an associate; (iv) losses on disposal of a subsidiary; (v) interest income; (vi) net exchange gains/(losses), (vii) gains/(losses) on disposal of property, plant and equipment and (viii) others. During the Track Record Period, our other net income was RMB6.4 million, RMB1.9 million and RMB0.9 million in 2023, 2024 and 2025, respectively, accounting for 0.7%, 0.2% and 0.1% of our total revenue in the respective years. For the six months ended June 30, 2026, our other net loss amounted to RMB14.1 million, primarily due to unrealized exchange losses arising from our intra-group payables as a result of the depreciation of the Indonesian Rupiah against the Renminbi during this period.

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The following table sets forth a breakdown of our other net income for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Government grants	65	1.0	182	9.8	424	49.3	56	(1.9)	353	(2.5)
Fair value changes on financial instruments measured at fair value through profit or loss	184	2.9	545	29.4	314	36.5	165	(5.6)	603	(4.3)
Gains on disposal of an associate	—	—	871	47.0	16,635	1,934.3	—	—	—	—
Losses on disposal of a subsidiary	(1,398)	(21.7)	—	—	—	—	—	—	—	—
Interest income	1,529	23.8	1,904	102.8	2,151	250.1	1,324	(44.7)	1,022	(7.3)
Net exchange gains/(losses)	6,076	94.5	(2,019)	(109.0)	(18,194)	(2,115.6)	(4,161)	140.4	(17,923)	127.5
Gains/(losses) on disposal of property, plant and equipment	11	0.2	62	3.3	(18)	(2.1)	(27)	0.9	1,279	(9.1)
Others	(39)	(0.7)	307	16.7	(452)	(52.5)	(320)	10.9	602	(4.3)
Total	6,428	100.0	1,852	100.0	860	100.0	(2,963)	100.0	(14,064)	100.0

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) employee benefit expenses; (ii) share-based payment expenses; (iii) marketing and advertising expenses; (iv) commission fees to third-party e-commerce platforms; (v) administration and travel expenses, (vi) office and warehouse rental expenses, (vii) depreciation and amortization expenses, and (viii) others.

The following table sets forth a breakdown of our selling and distribution expenses by nature in absolute amounts and as a percentage of total selling expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Employee benefit expenses	90,082	54.0	95,454	46.0	112,554	41.6	56,038	44.9	57,122	34.9
Share-based payment expenses	1,575	0.9	12,551	6.0	—	—	—	—	1,392	0.9
Marketing and advertising expenses . . .	37,778	22.7	43,208	20.8	70,343	26.0	31,115	24.9	46,048	28.2
Commission fees to third-party e-commerce platforms	14,723	8.8	30,528	14.7	56,541	20.9	22,886	18.3	44,415	27.2
Administration and travel expenses . . .	10,828	6.5	13,643	6.6	15,014	5.6	6,888	5.5	6,401	3.9
Office and warehouse rental expenses . .	5,758	3.5	3,916	1.9	4,633	1.7	2,161	1.7	1,906	1.2
Depreciation and amortization expenses	5,120	3.1	6,967	3.4	10,140	3.7	4,907	3.9	4,946	3.0
Others ⁽¹⁾	830	0.5	1,221	0.6	1,294	0.5	935	0.7	1,311	0.7
Total	166,694	100.0	207,488	100.0	270,519	100.0	124,931	100	163,542	100

Note:

(1) Others primarily consist of inspection and certificate expenses.

The third-party e-commerce platforms generally charge the commission fees based on GMV and applicable commission fee rates, which primarily include (i) category commission fee, (ii) transaction fees, (iii) free shipping program and (iv) affiliate marketing solution commission fee. Category commission fee and free shipping programme fee represent the principal component of commission fees. Category commission fee is charged by the platforms with reference to the categories of products sold on the platforms. We may participate in platform-offered free shipping programmes, under which

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transportation-related fees are incurred to subsidize or fully cover shipping costs as part of promotional activities aimed at enhancing sales volume and customer acquisition. The applicable commission fee rates are determined based on the announcements published on relevant platforms’ websites from time to time. In addition, our applicable commission fee rates are differentiated based on the product category and the services obtained by us from the platforms.

Research and Development Expenses

Our research and development expenses consist of (i) employee benefit expenses; (ii) share-based payment expenses; (iii) network and system fees and administration expenses; (iv) depreciation and amortization expenses and (v) others.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of total research and development expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%		
Employee benefit expenses	12,660	60.5	11,613	64.0	11,517	79.9	5,782	81.5	6,034	79.2		
Share-based payment expenses	2,819	13.5	3,929	21.6	—	—	—	—	163	2.1		
Network and system fees and administration expenses	3,340	16.0	1,745	9.6	2,751	19.1	1,229	17.3	1,377	18.1		
Depreciation and amortization expenses	1,506	7.2	464	2.6	59	0.4	23	0.3	22	0.3		
Others	601	2.8	400	2.2	90	0.6	58	0.9	27	0.3		
Total	20,926	100.0	18,151	100.0	14,417	100.0	7,092	100.0	7,623	100.0		

General and Administrative Expenses

Our general and administrative expenses consist of (i) employee benefit expenses; (ii) share-based payment expenses; (iii) administration and travel expenses; (iv) professional service expenses, (v) depreciation and amortization expenses, and (vi) others.

The following table sets forth a breakdown of our administrative expenses by nature in absolute amounts and as a percentage of total administrative expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%		
Employee benefit expenses	45,426	63.9	49,415	55.8	48,062	64.8	23,818	73.9	23,703	57.5		
Share-based payment expenses	4,574	6.4	19,490	22.0	—	—	—	—	2,193	5.3		
Administration and travel expenses	7,535	10.6	9,090	10.3	9,357	12.6	4,376	13.6	4,064	9.9		
Professional service expenses ⁽¹⁾	6,598	9.3	6,205	7.0	12,777	17.2	1,579	4.9	8,973	21.8		
Depreciation and amortization expenses	4,026	5.7	2,132	2.4	1,954	2.6	794	2.5	1,115	2.7		
Others ⁽²⁾	2,887	4.1	2,155	2.5	2,017	2.8	1,684	5.1	1,190	2.8		
Total	71,046	100.0	88,487	100.0	74,167	100.0	32,251	100.0	41,238	100.0		

Note:

- (1) Professional service fees represent expenses incurred in the ordinary course of business for obtaining external professional support, primarily consist of audit fees, legal service fees and [REDACTED] fees.
- (2) Others primarily consist of business taxes and surcharges.

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Impairment Losses on Trade and Other Receivables

Our impairment losses on trade and other receivables represent the impairment losses recognised or reversed in respect of trade and other receivables. The amounts were an impairment loss of RMB1.0 million in 2023, RMB1.4 million in 2024, and a reversal of impairment losses of RMB0.3 million in 2025 and RMB0.1 million for the six months ended June 30, 2026, respectively.

Finance Costs

Our finance costs consist of (i) interest on bank loans, (ii) interest on defined benefit obligations, and (iii) interest on lease liabilities.

The following table sets forth a breakdown of our finance costs in absolute amounts and as a percentage of finance costs for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(Unaudited)			
Interest on bank loans	809	56.4	1,141	28.1	1,852	36.5	924	34.2	132	12.3
Interest on defined benefit obligations	297	20.7	283	7.0	353	6.9	182	6.7	206	19.2
Interest on lease liabilities	329	22.9	2,637	64.9	2,881	56.6	1,599	59.1	737	68.5
Total	1,435	100.0	4,061	100.0	5,086	100.0	2,705	100.0	1,075	100.0

Changes in the carrying amount of redemption liabilities

We recorded changes in the carrying amount of redemption liabilities of RMB19.5 million, RMB22.7 million, RMB25.2 million and RMB12.4 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. The changes in the carrying amount during the Track Record Period were primarily driven by an increase over time in the finance costs relating to the shares with special rights held by certain shareholders.

Share of Losses of Associates

Our share of losses of associates primarily consist of our share of results of an associate. During the Track Record Period, our share of losses of associates was RMB0.3 million, RMB4.1 million, RMB2.8 million and nil in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

Income Tax

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate.

Hong Kong

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

Hong Kong Maritime Silk Technology Co., Limited was eligible for the preferential treatment of two-tiered profits tax rate regime from 2023 to 2025.

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PRC

Under the “EIT Law” and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period, except as disclosed below.

During the Track Record Period, our Company was recognized as a High New Tech Enterprise. According to the “EIT Law” for High New Tech Enterprises, our Company was subject to a reduced Enterprise Income Tax rate of 15% during the Track Record Period.

During the Track Record Period, Yiwu Wook Home Household Products Co., Ltd in the PRC were qualified as small and micro enterprises under the PRC Enterprise Income Tax regime, which enjoyed an enterprise income tax rate of 5%.

Indonesia

Pursuant to the relevant tax laws of Indonesia, a corporate income tax rate of 22% has been applied to the taxable income generated in Indonesia throughout the Track Record Period.

Other Jurisdictions

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

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with any tax authority where we operate.

Historical Losses and Turnaround to Profitability

We had accumulated losses as of January 1, 2023, which were primarily attributable to a combination of our strategic expansion initiatives and financing-related expenses. During the years from 2020 to 2022 which are the early stage of our development, we incurred initial operating losses in connection with our strategic expansion into overseas markets. We also invested a substantial amount in the establishment of a localized warehousing and logistics system in Indonesia.

These factors, which were largely associated with our growth and expansion strategies, contributed to our turnaround to profitability in 2023. Such turnaround was primarily driven by the continued growth in revenue, which enabled us to dilute costs associated with prior investments, including warehousing facilities and terminal deployment, thereby improving overall cost efficiency and profitability. In addition, we optimized our product portfolio and successfully developed higher-margin product categories, particularly in small appliances, contributing to a steady improvement in gross profit margin. Furthermore, we focused our resources on our core business segments, including 3C accessories and small appliances. Our operational efficiency in newly expanded markets such as Vietnam, Thailand and the Philippines also gradually improved, resulting in a reduction in losses. As a result, we recorded net profit in 2023 and successfully reversed our prior loss-making position.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six months Ended June 30, 2026 Compared to Six months Ended June 30, 2025

Revenue

Our revenue increased by 22.1% from RMB573.0 million for the six months ended June 30, 2025 to RMB699.4 million for the six months ended June 30, 2026 primarily due to (i) increases in revenue from our key product categories, particularly small appliances and home furnishings & building materials; (ii) the expansion of our sales channels and market coverage, including the growth of our online sales, and the strengthening of our distribution network.

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3C accessories. Our revenue from sales of 3C accessories increased by 2.0% from RMB397.6 million in the six months ended June 30, 2025 to RMB405.6 million in the six months ended June 30, 2026, primarily due to (i) the expansion of our product portfolio through the introduction of new product categories; and (ii) business growth in Vietnam, Thailand and the Philippines.

Small appliances. Our revenue from sales of small appliances increased by 110.8% from RMB69.2 million in the six months ended June 30, 2025 to RMB145.9 million in the six months ended June 30, 2026, primarily due to (i) the expansion of our product categories; (ii) the further development of our sales channels, including an increase in the number of customers in our distribution channel and optimized operations of our direct sales channel; and (iii) our continued brand promotion efforts

Home furnishings and building materials. Our revenue from sales of home furnishings & building materials increased by 56.6% from RMB59.9 million in the six months ended June 30, 2025 to RMB93.8 million in the six months ended June 30, 2026, primarily due to (i) the expansion of our product portfolio; (ii) the optimization of our customer mix; and (iii) enhancements to our supply network and operational efficiency, including improvements to our local warehousing arrangements.

Others. Our revenue from other businesses as a percentage of total revenue remained relatively stable at 8.0% and 7.7%, representing RMB46.3 million and RMB54.1 million in the six months ended June 30, 2025 and 2026, respectively.

Cost of sales

Our cost of sales increased by 18.5% from RMB361.4 million for the six months ended June 30, 2025 to RMB428.4 million for the six months ended June 30, 2026, in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 28.0% from RMB211.7 million for the six months ended June 30, 2025 to RMB271.0 million for the six months ended June 30, 2026. Our gross profit margin increased from 36.9% for the six months ended June 30, 2025 to 38.7% for the six months ended June 30, 2026, primarily due to (i) economies of scale and lower procurement costs resulting from our expanded sales scale and centralized procurement strategy; (ii) continued optimization of our product mix; and (iii) sustained brand promotion and further optimization of pricing strategies.

3C accessories. The gross profit margin for 3C accessories increased from 38.7% for the six months ended June 30, 2025 to 39.3% for the six months ended June 30, 2026, primarily because of (i) an optimized sales channel mix, with the increasing proportion of sales from our direct customer channel, which had a higher gross margin than that of our distribution channels; and (ii) enhanced brand recognition, pricing power and product mix optimization, which contributed to an increase in the gross margin.

Small appliances. The gross profit margin for small appliances increased from 40.9% for the six months ended June 30, 2025 to 46.8% for the six months ended June 30, 2026, primarily because of (i) an improved sales channel mix, with the increasing proportion of sales from our direct customer channel, which had a higher gross margin than that of our distribution channels; (ii) an increase in the gross margin as a result of pricing optimization; and (iii) our continued brand promotion and social media marketing efforts.

Home furnishings and building materials. The gross profit margin for home furnishings & building materials products decreased from 22.7% for the six months ended June 30, 2025 to 19.8% for the six months ended June 30, 2026, primarily due to an increase in the revenue contribution from relatively lower gross profit margin categories, such as ceiling and wallpaper, as part of our strategy for market growth.

Others. The gross profit margin for other businesses increased from 34.3% for the six months ended June 30, 2025 to 45.5% for the six months ended June 30, 2026, primarily due to the improved profitability of key product categories, including life style and stationery products.

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Other net income

Our other net income decreased from a net loss of RMB3.0 million for the six months ended June 30, 2025 to a net loss of RMB14.1 million for the six months ended June 30, 2026, primarily due to unrealized exchange loss arising from the payables within the Group due to the depreciation of Rupiah against Renminbi during this period.

Impairment losses on trade and other receivables

For the six months ended June 30, 2025 and 2026, we recorded reversals of impairment losses on trade and other receivables of RMB0.3 million and RMB0.1 million, respectively, primarily due to our better management of credit terms and more disciplined collection efforts in respect of trade and other receivables.

Selling and distribution expenses

Our selling and distribution expenses increased by 30.9% from RMB124.9 million for the six months ended June 30, 2025 to RMB163.5 million for the six months ended June 30, 2026, primarily because of (i) the increase in platform commission fees of RMB21.5 million, mainly attributable to the increase in the contribution of sales through e-commerce and livestreaming platforms; (ii) the increase in marketing and advertising expenses of RMB14.9 million, primarily due to our increased investment in brand building initiatives.

General and administrative expenses

Our general and administrative expenses increased by 27.6% from RMB32.3 million for the six months ended June 30, 2025 to RMB41.2 million for the six months ended June 30, 2026, primarily due to the increase in professional service fees, mainly attributable to the recognition of [REDACTED] expenses during the six months ended June 30, 2026.

Research and development expenses

Our research and development expenses remained relatively stable at RMB7.1 million and RMB7.6 million for the six months ended June 30, 2025 and 2026, respectively, with the slight increase primarily attributable to higher staff costs, share-based payment expenses and network system and office expenses.

Finance costs

Our finance costs decreased from RMB2.7 million for the six months ended June 30, 2025 to RMB1.1 million for the six months ended June 30, 2026, primarily due to the decrease in interest expenses on lease liabilities.

Changes in the carrying amount of redemption liabilities

Our changes in the carrying amount of redemption liabilities remained relatively stable at RMB12.2 million and RMB12.4 million for the six months ended June 30, 2025 and 2026, respectively.

Share of losses of associates

Our share of losses of associates decreased from RMB2.5 million for the six months ended June 30, 2025 to nil for the six months ended June 30, 2026, primarily due to the disposal of our equity interests in PT Ofero in the second half of 2025, following which PT Ofero ceased to be accounted for as an associate.

Income tax

Our income tax expenses increased from RMB5.7 million for the six months ended June 30, 2025 to RMB6.4 million for the six months ended June 30, 2026.

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Profit for the period

As a result of the foregoing, our profit for the period increased from RMB21.7 million for the six months ended June 30, 2025 to RMB24.8 million for the six months ended June 30, 2026.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 16.0% from RMB1,048.7 million in 2024 to RMB1,216.9 million in 2025, primarily because of the growth of business scale and the optimization of our product portfolio.

3C accessories. Our revenue from sales of 3C accessories increased by 8.2% from RMB751.6 million in 2024 to RMB813.4 million in 2025, primarily because of (i) the expansion of our product portfolio by a launch of new product categories and (ii) optimization of marketing strategies.

Small appliances. Our revenue from sales of small appliances increased by 64.9% from RMB103.7 million in 2024 to RMB171.0 million in 2025, primarily because of (i) the expansion of our distribution channels and (ii) an increase in sales through e-commerce platforms and livestreaming platforms and (iii) the aforementioned online sales increase further drove growth in our sales to distributors.

Home furnishings & building materials. Our revenue from sales of home furnishings & building materials increased by 50.0% from RMB89.0 million in 2024 to RMB133.5 million in 2025, primarily because of (i) the expansion of our product portfolio and (ii) the deployment of local warehousing facilities to meet immediate customer demands.

Others. Our revenue from other businesses remained relatively stable at RMB104.4 million in 2024 and at RMB99.0 million in 2025.

Cost of sales

Our cost of sales increased by 13.3% from RMB675.4 million in 2024 to RMB765.4 million in 2025 in line with our revenue growth.

Gross profit and gross profit margin

Our gross profit increased by 20.9% from RMB373.4 million in 2024 to RMB451.5 million in 2025. Our gross profit margin increased from 35.6% in 2024 to 37.1% in 2025, primarily because of (i) the optimization of our product portfolio with a focus on high-margin products; (ii) an increased contribution from direct sales, which has a gross profit margin higher than the distribution channel and (iii) the enhanced economies of scale resulting in lower procurement costs.

3C accessories. Our gross profit margin increased from 37.3% in 2024 to 38.6% in 2025, primarily because of (i) an increased contribution from direct sales, which has a gross profit margin higher than the distribution channel; (ii) the optimization of the 3C accessories product portfolio and pricing and (iii) the reduction of costs of sales through the enhanced economies of scale.

Small appliances. Our gross profit margin increased from 36.8% in 2024 to 42.1% in 2025, primarily because of (i) an increased contribution from direct sales, which has a gross profit margin higher than the distribution channel; (ii) the optimization of our small appliances product portfolio and (iii) the reduction of procurement costs through the enhanced economies of scale.

Home furnishings & building materials. Our gross profit margin decreased from 22.9% in 2024 to 22.1% in 2025, primarily because of an increase in the revenue contribution from relatively lower gross profit margin categories, such as ceiling and wallpaper, as part of our strategy for market growth.

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Others. The gross profit margin increased from 32.8% in 2024 to 36.4% in 2025, primarily because of an decrease in the revenue share of our lifestyle products and stationery products, which carried a relatively high margin, partially offset by a increase in the revenue share of our warehousing services, which carried a relatively low margin.

Other net income

Our other net income decreased from RMB1.9 million in 2024 to RMB0.9 million in 2025, primarily because of (i) unrealized exchange loss arising from the payables within the Group due to the depreciation of Rupiah against Renminbi during this period, partially relieved by (ii) the disposal gain we recognized by virtue of partial equity interests in an associate PT Ofero Technology Indonesia, with the remaining shareholding interests recategorized under other financial assets. Such disposal was completed for a consideration that represented a premium over our initial investment cost.

Impairment losses on trade and other receivables

Our impairment losses on trade and other receivables decreased from RMB1.4 million in 2024 to a reversal of impairment losses of RMB0.3 million in 2025, primarily because of our better management on credit terms and more disciplined collections of relevant trades and other receivables.

Selling and distribution expenses

Our selling and distribution expenses increased by 30.4% from RMB207.5 million in 2024 to RMB270.5 million in 2025, primarily because of (i) an increase in employee compensation and benefits; and (ii) an increase in marketing and advertising expenses driven by brand ambassador fees and (iii) an increase in commission fees paid to e-commerce and livestreaming platform.

Our marketing and advertising expenses increased by 62.7% from RMB43.2 million in 2024 to RMB70.3 million in 2025. The percentage of increase was higher than the percentage of increase in revenue in the same period, primarily due to enhanced brand promotion efforts to strengthen brand recognition, including engaging brand ambassadors, conducting promotional campaigns and increasing investment in branded retail presence, with terminal promotion expense rates increasing from 2.5% to 3.0%. As such brand ambassador initiatives were at an early stage, their contribution to revenue growth had not yet been fully realised; and (ii) increased investment in marketing activities for our brands and new product categories to expand our online channel presence, as reflected by an increase in online advertising expense rates from 9.4% to 12.8%.

Our commission fees to third-party e-commerce platforms increased by 85.2% from RMB30.5 million in 2024 to RMB56.5 million in 2025. The percentage of increase was higher than the percentage of increase in revenue in the same period, primarily due to (i) an increase in platform commission rates from 12.0% to 15.9%; and (ii) a higher revenue contribution from product categories with relatively higher commission rates, such as small appliances, the revenue contribution of which increased from 27.7% to 34.2%.

General and administrative expenses

Our general and administrative expenses decreased by 16.2% from RMB88.5 million in 2024 to RMB74.2 million in 2025, primarily because we incurred share-based compensation expenses in 2024, while no such expenses were incurred in 2025.

Research and development expenses

Our research and development expenses decreased by 20.9% from RMB18.2 million in 2024 to RMB14.4 million in 2025, primarily due to a decrease in share-based payment expenses.

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Finance costs

Our finance costs increased from RMB4.1 million in 2024 to RMB5.1 million in 2025, primarily because of (i) an increase in interest expenses on lease liabilities as a result of the expansion of our leased warehousing facilities and (ii) an increase in interest expenses on bank loans as a result of increased borrowings.

Changes in the carrying amount of redemption liabilities

Our changes in the carrying amount of redemption liabilities increased from RMB22.7 million in 2024 to RMB25.2 million in 2025, primarily due to an increase over time in the finance costs relating to shares with special rights held by certain of our shareholders.

Share of losses of associates

Our share of losses of associates decreased from RMB4.1 million in 2024 to RMB2.8 million in 2025.

Income tax

Our income tax expenses increased from RMB8.5 million in 2024 to RMB12.5 million in 2025 as a result of our increased profit before taxation.

Profit for the year

As a result of the foregoing, our profit for the year increased from RMB20.4 million in 2024 to RMB48.0 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 15.4% from RMB908.4 million in 2023 to RMB1,048.7 million in 2024, primarily because of (i) the optimization of our product portfolio with a focus on our core categories and the expansion of our sales team for customer acquisition; (ii) the development of our online sales capabilities through the establishment of our e-commerce platforms operations and livestreaming team; and (iii) the strategic allocation of our resources to support expansion into new geographic markets.

3C accessories. Our revenue from sales of 3C accessories increased from RMB692.6 million in 2023 to RMB751.6 million in 2024, primarily because of (i) the expansion of our livestreaming business, which enhanced our online sales capabilities; (ii) the upgrade and expansion of our product portfolio; (iii) strengthened price management capabilities across channels, which contributed to enhanced customer loyalty and (iv) deeper customer engagement and enhanced customer retention driven by our upgraded operation policies.

Small appliances. Our revenue from sales of small appliances increased by 158.6% from RMB40.1 million in 2023 to RMB103.7 million in 2024, primarily because of (i) an increase in resources allocation towards livestreaming and e-commerce sales, (ii) enhanced brand marketing efforts, including the appointment of a brand ambassador, the launch of targeted brand promotion campaigns and collaborations with top-tier KOLs across e-commerce and livestreaming platforms and (iii) the aforementioned online sales increase further drove growth in our sales to distributors.

Home furnishings & building materials. Our revenue from sales of home furnishings and building materials products increased by 31.5% from RMB67.7 million in 2023 to RMB89.0 million in 2024, primarily because of (i) our strategic adjustment of the product mix and (ii) expansion of product offerings with stronger market potential.

Others. Our revenue from other businesses remained relatively stable at RMB108.0 million in 2023 and RMB104.4 million in 2024.

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Cost of sales

Our cost of sales increased by 12.0% from RMB603.3 million in 2023 to RMB675.4 million in 2024 in line with our revenue growth.

Gross profit and gross profit margin

Our gross profit increased by 22.4% from RMB305.1 million in 2023 to RMB373.4 million in 2024. Our gross profit margin increased from 33.6% in 2023 to 35.6% in 2024, primarily because of (i) the optimization of our customer portfolio and (ii) the enhanced economies of scale resulting in lower costs of sales.

3C accessories. The gross profit margin for 3C accessories increased from 34.0% in 2023 to 37.3% in 2024, primarily because of (i) the optimization of the 3C product portfolio and pricing and (ii) an increased contribution from direct sales, which has a gross profit margin higher than the distribution channel.

Small appliances. The gross profit margin for small appliances increased from 33.8% in 2023 to 36.8% in 2024, primarily because of (i) an increased contribution from direct sales, which has a gross profit margin higher than the distribution channel; (ii) the optimization of the small appliances portfolio and pricing, and (iii) the reduction of costs of sales through the enhanced economies of scale.

Home furnishings & building materials. The gross profit margin for home furnishings & building materials products decreased from 26.8% in 2023 to 22.9% in 2024, primarily because we adopted more competitive pricing model for newly-introduced products as part of our marketing efforts.

Others. The gross profit margin for other businesses decreased from 35.1% in 2023 to 32.8% in 2024, primarily because of the introduction of new product categories with a more competitive pricing model to support our market expansion.

Other net income

Our other net income decreased from RMB6.4 million in 2023 to RMB1.9 million in 2024, primarily because of unrealized exchange loss arising from the payables within the Group due to the depreciation of Rupiah against Renminbi during this period.

Impairment loss on trade and other receivables

Our impairment losses on trade and other receivables increased from RMB1.0 million in 2023 to RMB1.4 million in 2024 in line with revenue growth.

Selling and distribution expenses

Our selling and distribution expenses increased by 24.5% from RMB166.7 million in 2023 to RMB207.5 million in 2024, primarily because of (i) an increase in marketing expenses driven by a rise in the proportion of sales to direct customers, which typically incur higher advertising expenditures compared to sales to distributors and (ii) an increase in commission fees to third-party e-commerce platforms.

General and administrative expenses

Our general and administrative expenses increased by 24.6% from RMB71.0 million in 2023 to RMB88.5 million in 2024, primarily because of an increase in share-based compensation expenses for certain employees.

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Research and development expenses

Our research and development expenses decreased by 12.9% from RMB20.9 million in 2023 to RMB18.2 million in 2024, primarily because of (i) our strategic focus on R&D project with higher commercial feasibility and (ii) application of more standardized and streamlined R&D procedures, which further enhanced our R&D productivity.

Finance costs

Our finance costs increased from RMB1.4 million in 2023 to RMB4.1 million in 2024, primarily because of a rise in interest expenses on lease liabilities as a result of the expansion of our leased warehousing facilities.

Changes in the carrying amount of redemption liabilities

Our changes in the carrying amount of redemption liabilities increased from RMB19.5 million in 2023 to RMB22.7 million in 2024, primarily due to an increase over time in the finance costs relating to shares with special rights held by certain of our shareholders.

Share of losses of associates

Our share of losses of associates increased from RMB0.3 million in 2023 to RMB4.1 million in 2024, primarily attributable to the operating losses incurred by PT. Ofero Technology Indonesia (“PT. Ofero”), which ceased to be our subsidiary and became an associate of the Company in the fourth quarter of 2023.

Income tax

Our income tax expenses decreased from RMB12.4 million in 2023 to RMB8.5 million in 2024 primarily because of a decrease in profits derived from Indonesian business due to depreciation of the Indonesian Rupiah against Renminbi.

Profit for the year

As a result of the foregoing, our profit for the year was RMB18.3 million in 2023 and RMB20.4 million in 2024, respectively.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this document.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	106,082	124,758	110,650	105,130
Total current assets	369,748	521,278	582,080	563,726
Total assets	475,830	646,036	692,730	668,856
Total non-current liabilities	60,089	81,913	12,405	6,965
Total current liabilities	503,529	595,543	679,201	651,495
Total liabilities	563,618	677,456	691,606	658,460
Net (liabilities)/assets	(87,788)	(31,420)	1,124	10,396

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Non-current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	53,200	59,625	50,281	39,533
Right-of-use assets	10,640	43,772	29,990	18,474
Intangible assets	1,171	1,040	1,053	954
Interest in associates	7,781	3,169	—	—
Other non-current assets	21,256	3,630	14,886	30,203
Deferred tax assets	12,034	13,522	14,440	15,966
Total non-current assets	106,082	124,758	110,650	105,130

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current liabilities				
Bank loans	4	417	122	10
Redemption liabilities	55,430	57,673	—	—
Lease liabilities	610	18,891	6,203	1,695
Defined benefit obligations	4,027	4,914	6,061	5,239
Deferred tax liabilities	—	—	2	6
Long-term liabilities	18	18	17	15
Total non-current liabilities	60,089	81,913	12,405	6,965

Property, plant and equipment

Our property, plant and equipment consists of buildings, vehicles, equipment and others. The balance of our property, plant and equipment increased from RMB53.2 million as of December 31, 2023 to RMB59.6 million as of December 31, 2024, primarily due to an increase in procurement of equipment for newly leased warehouses in Indonesia. The balance of our property, plant and equipment decreased from RMB59.6 million as of December 31, 2024 to RMB50.3 million as of December 31, 2025 primarily due to the depreciation of our property, plant and equipment. The balance further decreased to RMB39.5 million as of June 30, 2026, primarily due to the depreciation of our property, plant and equipment and the disposal of facilities in connection with the termination of certain warehouse leases.

Right-of-use assets

Our right-of-use assets are mainly associated with our leased warehouses and offices. Our right-of-use assets increased from RMB10.6 million as of December 31, 2023 to RMB43.8 million as of December 31, 2024, primarily due to an increase in newly leased warehouses in Indonesia. Our right-of-use assets decreased from RMB43.8 million as of December 31, 2024 to RMB30.0 million as of December 31, 2025, primarily because of the depreciation of our right-of-use assets. Our right-of-use assets further decreased to RMB18.5 million as of June 30, 2026, primarily due to the termination of certain warehouse leases.

Intangible assets

Our intangible assets mainly consist of purchased software, and our enterprise systems. Our intangible assets decreased from RMB1.2 million as of December 31, 2023 to RMB1.0 million as of December 31, 2024, primarily due to the amortization in accordance with our accounting policies. Our

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intangible assets remained relatively stable at RMB1.0 million as of December 31 and at 2024 to RMB1.1 million as of December 31, 2025. Our intangible assets subsequently decreased to RMB1.0 million as of June 30, 2026, primarily due to amortization in accordance with our accounting policies.

Interest in associates

During the Track Record Period, our interest in associates represents our interests in Jiangsu AOFEILUO Technology Co., Ltd (“**Jiangsu AOFEILUO**”) and PT. Ofero that are measured using the equity method. Our interest in associates decreased from RMB7.8 million as of December 31, 2023 to RMB3.2 million as of December 31, 2024, and further to nil as of December 31, 2025, primarily due to the disposal of our equity interests in Jiangsu AOFEILUO in 2024 and the disposal of our equity interests in PT. Ofero in 2025. As a result of this disposal, our investment in Jiangsu AOFEILUO and PT. Ofero therein was reclassified from “interests in associates” to “other financial assets”. Our interest in associates remained at nil as of June 30, 2026.

Deferred tax assets

Our deferred tax assets represent temporary differences related to (i) unrealized gains from internal transactions, (ii) unutilized tax losses and (iii) other temporary differences. Our deferred tax assets increased from RMB12.0 million as of December 31, 2023 to RMB13.5 million as of December 31, 2024, primarily due to an increase in unutilized gains from internal transactions. Our deferred tax assets remained relatively stable at RMB13.5 million as of December 31, 2024 and RMB14.4 million as of December 31, 2025. Our deferred tax assets further increased to RMB16.0 million as of June 30, 2026, primarily due to an increase in unrealized gains from internal transactions.

Defined benefit obligations

We provide defined benefit plans to our employees in Indonesia in conformity with the relevant requirements of Indonesian labor regulations. Our defined benefit obligations increased from RMB4.0 million as of December 31, 2023 to RMB4.9 million as of December 31, 2024, and subsequently increased to RMB6.1 million as of December 31, 2025, primarily due to the changes in number of employees. Our defined benefit obligations subsequently decreased to RMB5.2 million as of June 30, 2026, primarily due to an increase in the actuarial discount rate, reflecting the increase in relevant market interest rates in Indonesia.

Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Current assets				
Inventories	93,799	148,277	183,210	203,446
Trade receivables	12,019	29,079	30,666	30,055
Prepayments and other receivables	20,235	27,468	32,731	30,409
Other current assets	38,490	41,912	39,072	29,976
Other financial assets	—	11,421	18,136	23,612
Restricted cash	5,220	3,601	3,760	1,914
Cash and cash equivalents	199,985	259,520	274,505	244,314
Total current assets	369,748	521,278	582,080	563,726

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	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
Current liabilities				
Trade payables	91,675	136,090	149,197	133,465
Other payables	30,913	34,431	34,578	28,517
Contract liabilities	7,641	9,286	10,798	9,118
Bank loans	19,384	29,100	12,403	10,323
Redemption liabilities	341,838	362,315	445,234	457,599
Lease liabilities	1,349	14,657	14,064	5,380
Current taxation	6,614	4,869	7,912	2,041
Provision	3,799	4,397	4,715	4,724
Defined benefit obligations	316	398	300	328
Total current liabilities	503,529	595,543	679,201	651,495
Net current liabilities	(133,781)	(74,265)	(97,121)	(87,769)

Our net current liabilities decreased from RMB133.8 million as of December 31, 2023 to RMB74.3 million as of December 31, 2024, primarily due to an increase in inventories, trade receivables and prepayments and other receivables. Our net current liabilities increased from RMB74.3 million as of December 31, 2024 to RMB97.1 million as of December 31, 2025, primarily due to an increase in redemption liabilities. Our net current liabilities decreased from RMB97.1 million as of December 31, 2025 to RMB87.8 million as of June 30, 2026, primarily due to the continuous profitability of our business and the termination of certain warehouse leases.

During the Track Record Period, we recorded net current liabilities primarily because of the liabilities arising from redemption liabilities as current liabilities. The redemption liabilities will be reclassified from liabilities to equity as a result of the termination of all special rights of certain of our shareholders upon the [REDACTED]. We expect to turn our net current liabilities position into net current assets position upon such re-designation, primarily driven by: (i) the continuous cash inflow to be generated from our profitable business operations and improved working capital management, (ii) the redemption liabilities to be automatically reclassified from liabilities to equity upon the [REDACTED] of our H shares on the Stock Exchange and (iii) the expected [REDACTED] from the [REDACTED], which will significantly increase our cash and cash equivalents.

We have established prudent investment policies for structured and wealth management products, utilizing idle funds under principles of safety, liquidity, and reasonable returns. Our investments focus on low-risk, short-term, liquid products, such as bank structured deposits, principal-protected wealth products and hedging instruments. Our seasoned treasury team, led by professionals with extensive capital markets and risk management backgrounds, oversees these activities. Material investment decisions are subject to appropriate internal approvals, including Board or shareholder approval. Following [REDACTED], we will comply with the Listing Rules, including Chapters 14 and 14A, and continue to enhance our authorization framework, internal approvals and disclosure processes to ensure full regulatory compliance.

Other financial assets

Our other financial assets consist of bank structured deposits and investments as equity interests measured at FVPL. Other financial assets increased from nil as of December 31, 2023 to RMB11.4 million as of December 31, 2024, and further to RMB18.1 million as of December 31, 2025, primarily due to (i) an increase in the balance of bank structured deposits and (ii) the reclassification of long-term investments in our associates Jiangsu AOFEILUO and PT. Ofero into investments as equity interests measured at FVPL in 2024 and 2025, respectively, following partial disposal of our equity

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interests in these entities. Our other financial assets further increased to RMB23.6 million as of June 30, 2026, primarily due to an increase in the balance of bank structured deposits and an increase in the fair value of our investment in PT. Ofero.

Inventories

Our inventories consist of finished goods and goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Finished goods	65,294	106,239	134,469	168,641
Goods in transit	30,113	44,542	50,571	36,800
Less: write-down of inventories	(1,608)	(2,504)	(1,830)	(1,995)
Total	93,799	148,277	183,210	203,446

Our inventories increased by 58.1% from RMB93.8 million as of December 31, 2023 to RMB148.3 million as of December 31, 2024, primarily due to (i) our proactive management of inventory level of finished goods in anticipation of the capacity constraints of our suppliers around year-end holidays and (ii) stocking up of our small appliances products as well as home furnishings & building materials to meet increasing sales demand. Our inventories increased from RMB148.3 million as of December 31, 2024 to RMB183.2 million as of December 31, 2025, primarily due to pre-stocking of our small appliances products and other new product categories to meet expected sales increase. Our inventories further increased to RMB203.4 million as of June 30, 2026, primarily due to higher inventory levels maintained to support the rapid growth in product sales and the stocking of new products in anticipation of increased market demand.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	90,367	143,632	171,663	190,565
Over 1 year	3,432	4,645	11,547	12,881
Total	93,799	148,277	183,210	203,446

The following table sets forth our inventory turnover days for the periods indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Inventory turnover days ⁽¹⁾	55	65	79	82

Note:

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our inventory turnover days increased from 55 days as of December 31, 2023 to 65 days as of December 31, 2024 and further to 79 days as of December 31, 2025, primarily due to the stocking up of small appliances and home furnishings & building materials to meet increasing sales demand, which have longer turnover days to satisfy more stringent certification requirements, as compared with most 3C accessories products. Our inventory turnover days remained relatively stable at 82 days as of June 30, 2026. We believe we have made sufficient provisions for our inventories, considering our historical

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sales performance, in particular, during the Track Record Period, we had not encountered any material impairment loss that have materially and adversely affected our business operations caused by slow-moving inventories.

Trade receivables

Our trade receivables represent the amounts due from our customers for the products sold or services performed in the ordinary course of our business. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	14,487	31,860	33,539	32,507
Less: loss allowance	(2,468)	(2,781)	(2,873)	(2,452)
Total	12,019	29,079	30,666	30,055

Our trade receivables increased from RMB12.0 million as of December 31, 2023 to RMB29.1 million as of December 31, 2024, and further to RMB30.7 million as of December 31, 2025, primarily due to the relatively longer credit terms granted to customers as part of the expansion strategy in small appliances and home furnishings & building materials market, in line with our revenue growth. Our trade receivables subsequently decreased to RMB30.1 million as of June 30, 2026, remaining relatively stable as we strengthened our accounts receivable management and collection efforts despite significant revenue growth during the six months ended June 30, 2026.

We generally require the distributors to settle payment upon delivery of products. For a limited number of customers, we engaged in credit sales with them during the Track Record Period, and we usually grant credit terms of 30 days to such customers. We seek to maintain strict control over our outstanding receivables. Our sales and finance team is responsible for minimizing credit risks. Considering that we had not experienced any material failure to collect trade receivables from the relevant customers during the Track Record Period, we believe we are able to collect the remaining trade receivables and we have made sufficient provisions for such trade receivables.

The following table sets forth our trade receivables turnover days for the periods indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Trade receivables turnover days ⁽¹⁾	4	7	9	8

Note:

- (1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables for a year divided by revenue for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade receivables turnover days increased from 4 days as of December 31, 2023 to 7 days as of December 31, 2024, and further to 9 days as of December 31, 2025, primarily due to the relatively longer credit terms granted to customers as part of our expansion strategy in the home furnishings & building materials and small appliances market. Our trade receivables turnover days subsequently decreased to 8 days as of June 30, 2026, primarily due to our enhanced credit control and proactive collection measures.

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The majority of our trade receivables were aged within 90 days, representing 94.0%, 95.3%, and 92.7% of our total trade receivables as of December 31, 2023, 2024 and 2025, respectively. As of June 30, 2026, 96.3% of our trade receivables were aged within 90 days. The trade receivables aged over 90 days primarily related to a limited number of customers with relatively longer credit periods. The following table sets forth the aging of our trade receivables as of the dates indicated:

	As at December 31,						As of June 30,	
	2023		2024		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
0–90 days	11,296	94.0	27,719	95.3	28,421	92.7	28,932	96.3
91–180 days	485	4.0	1,194	4.1	1,503	4.9	576	1.9
181–365 days	238	2.0	166	0.6	742	2.4	547	1.8
Total	12,019	100.0	29,079	100.0	30,666	100.0	30,055	100.0

Prepayments and other receivables

Our prepayments and other receivables consist of (i) prepayments and (ii) other receivables. The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	14,800	19,470	23,296	20,414
[REDACTED] to be deducted from equity	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	6,030	8,641	6,813	4,613
— Deposits	1,238	5,074	5,522	2,627
— Due from a shareholder for capital injection	1,893	—	—	—
— Due from a third party for partial disposal in an associate	—	3,211	—	—
— Others	2,899	356	1,291	1,986
	20,830	28,111	32,763	30,506
Less: Loss allowance	(595)	(643)	(32)	(97)
Total	20,235	27,468	32,731	30,409

Our prepayments and other receivables increased by 36.1% from RMB20.2 million as of December 31, 2023 to RMB27.5 million as of December 31, 2024, primarily due to an increase in advance payments for inventory purchases. Our prepayments and other receivables increased by 18.9% from RMB27.5 million as of December 31, 2024 to RMB32.7 million as of December 31, 2025, primarily attributable to an increase in advance payments for vendors. Our prepayments and other receivables subsequently decreased to RMB30.4 million as of June 30, 2026. The decrease in other receivables is primarily due to the termination of certain warehouse leases.

Restricted cash

Our restricted cash primarily consists of the deposits pledged to banks. Our restricted cash decreased from RMB5.2 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, primarily due to a reduction in margin deposits for Renminbi-denominated foreign exchange forward contracts. Our restricted cash remained relatively stable at RMB3.6 million as of December 31, 2024 and RMB3.8 million as of December 31, 2025. Our restricted cash subsequently decreased to RMB1.9 million as of June 30, 2026, primarily due to the release of bank deposits upon maturity of foreign exchange forward contracts.

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Cash and cash equivalents

Our cash and cash equivalents primarily represent cash at bank and on hand. Our cash and cash equivalents increased from RMB200.0 million as of December 31, 2023 to RMB259.5 million as of December 31, 2024 primarily due to (i) an increase in operating cash flow as a result of our sustained profitability and (ii) an increase in the net proceeds obtained from bank loans. Our cash and cash equivalents increased from RMB259.5 million as of December 31, 2024 to RMB274.5 million as of December 31, 2025, primarily due to an increase in operating cash flow as a result of our sustained profitability from bank loans. Our cash and cash equivalents subsequently decreased to RMB244.3 million as of June 30, 2026, primarily due to repayments of bank loans and lease liabilities, as well as the effect of foreign exchange rate changes.

Trade payables

Our trade payables primarily consist of amounts due for goods and freight charges. Our trade payables increased from RMB91.7 million as of December 31, 2023 to RMB136.1 million as of December 31, 2024 primarily due to an increase in the stock up of finished goods. Our trade payables increased from RMB136.1 million as of December 31, 2024 to RMB149.2 million as of December 31, 2025, primarily due to the continued increase in the stock up of finished goods to support ongoing business expansion. Our trade payables subsequently decreased to RMB133.5 million as of June 30, 2026, primarily due to changes in the supplier mix across different product categories.

We are generally granted a credit period of 60 days by our suppliers on purchases of goods. The trade payables are typically settled within one year. The following table sets forth an aging analysis of our trade payable as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	91,675	136,090	148,677	132,670
Over 1 year	—	—	520	795
	<u>91,675</u>	<u>136,090</u>	<u>149,197</u>	<u>133,465</u>

The following table sets forth our trade payable turnover days for the periods indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Trade payables turnover days	57	62	68	60

Note:

- (1) Trade payable turnover days are calculated using the average of opening balance and closing balance of trade and bills payable for a year divided by cost of sales used for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade payables turnover days increased from 57 days as of December 31, 2023 to 62 days as of December 31, 2024, and further increased to 68 days as of December 31, 2025, primarily because certain suppliers granted us extended credit terms. Our trade payables turnover days decreased to 60 days as of June 30, 2026, an increase in the proportion of purchases of small appliances and home furnishings & building materials, for which suppliers generally offered shorter credit terms during the early stages of the new brand development.

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Other payables

Our other payables primarily consist of (i) payroll and welfare payables, (ii) other tax payables, (iii) payables for services, (iv) government grants, (v) deposits and (vi) others. The following table sets forth a breakdown of our other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	16,694	16,538	17,206	13,192
Other tax payables	4,146	3,304	2,652	1,240
Payables for services	5,148	5,853	6,910	7,054
Government grants ⁽¹⁾	1,765	1,945	2,383	2,083
Deposits	475	1,918	626	1,013
Others	2,685	4,873	4,801	3,935
Total	30,913	34,431	34,578	28,517

Note:

- (1) Government grants represent subsidies received from government that are deferred and recognized in profit or loss until the satisfaction of certain criteria.

Our other payables increased from RMB30.9 million as of December 31, 2023 to RMB34.4 million as of December 31, 2024 primarily due to (i) an increase in deposits and (ii) an increase in others which primarily included prepayments for marketing expenses. Our other payables increased from RMB34.4 million as of December 31, 2024 to RMB34.6 million as of December 31, 2025. Our other payables decreased to RMB28.5 million as of June 30, 2026.

Contract liabilities

Our contract liabilities primarily represent advance payments from customers upon which the performance obligations have been established, while the underlying products or services are yet to be provided. Our contract liabilities increased from RMB7.6 million as of December 31, 2023 to RMB9.3 million as of December 31, 2024 and further to RMB10.8 million as of December 31, 2025, in line with our business growth. Our contract liabilities decreased to RMB9.1 million as of June 30, 2026.

Provision

Our provision primarily consists of warranty provisions for products sold and refund liabilities arising from right of return. Our provision increased from RMB3.8 million as of December 31, 2023 to RMB4.4 million as of December 31, 2024, primarily due to changes in the scale of sales. Our provision remained relatively stable at RMB4.4 million as of December 31, 2024, RMB4.7 million as of December 31, 2025 and at RMB4.7 million as of June 30, 2026.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/period indicated:

	As of/For the Year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin (%)	33.6	35.6	37.1	38.7
Net profit margin (%)	2.0	1.9	3.9	3.5
Current ratio (%)	0.73	0.88	0.86	0.87
Quick ratio (%)	0.55	0.63	0.59	0.55

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Notes:

- (1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.
- (2) Net profit margin equals net profit divided by revenue for the year and multiplied by 100%.
- (3) Current ratio equals total current assets divided by total current liabilities.
- (4) Quick ratio equals total current assets less inventories divided by total current liabilities.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from borrowings, cash from operations and equity financings.

During the Track Record Period and up to the Latest Practicable Date, we relied on cash and cash equivalents and cash generated from business operations as the major sources of liquidity. We intend to finance our future capital requirements in the same manner after the [REDACTED]. We do not anticipate any material changes to the availability of financing to fund our operation in the future.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had cash and cash equivalents of RMB200.0 million, RMB259.5 million, RMB274.5 million and RMB244.3 million, respectively. Our Directors are of the opinion that, taking into account the [REDACTED] from the [REDACTED] and the financial resources available to us, including cash and cash equivalents, our bank borrowings and cash flows from operating activities, we have sufficient working capital for our present requirements, that is for at least 12 months from the date of this document. Our Directors confirm that there were no defaults on our outstanding indebtedness, trade payables and non-trade payables during the Track Record Period and up to the Latest Practicable Date.

Cash Flow

The following table sets forth our cash flows for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash generated from operating activities	45,052	88,840	63,766	23,129	648
Net cash (used in)/generated from investing activities	(7,758)	(22,424)	6,174	(16,341)	(2,003)
Net cash generated from/(used in) financing activities	55,221	(4,312)	(39,424)	15,000	(14,427)
Net increase in cash and cash equivalents	92,515	62,104	30,516	21,788	(15,782)
Cash and cash equivalents at the beginning of year/period	104,214	199,985	259,520	259,520	274,505
Effect of foreign exchange rate changes	3,256	(2,569)	(15,531)	(3,045)	(14,409)
Cash and cash equivalents at the end of the year/period	199,985	259,520	274,505	278,263	244,314

Net cash generated from operating activities

We derive our cash inflow from operating activities primarily through sales of 3C accessories products, small appliances and home furnishings & building materials. Cash from operating activities primarily reflects our profit before taxation, partially offset by income tax paid.

For the six months ended June 30, 2026, our net cash generated from operating activities was RMB0.6 million, which represents our cash generated from operations of RMB30.1 million, as adjusted by income tax paid of RMB29.5 million.

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In 2025, our net cash generated from operating activities was RMB63.8 million, which represents our cash generated from operations of RMB86.7 million, as adjusted by income tax paid of RMB22.9 million.

In 2024, our net cash generated from operating activities was RMB88.8 million, comprising cash generated from operations of RMB83.4 million and income tax refund of RMB5.4 million.

In 2023, our net cash generated from operating activities was RMB45.1 million, which represents our cash generated from operations of RMB52.2 million, as adjusted by income tax paid of RMB7.1 million.

Net cash (used in)/generated from investing activities

Our cash generated from investing activities primarily reflects proceeds from disposals of property, plant and equipment and intangible assets, cash inflows from disposal of associates and proceeds from structured deposits. Our cash used in investing activities mainly reflects our cash used in payments for purchase of property, plant and equipment and intangible assets, net cash outflows from disposal of a subsidiary, payment for investment in an associate and purchase of structured deposits.

For the six months ended June 30, 2026, our net cash used in investing activities was RMB2.0 million, which primarily consists of (i) purchase of structured deposits of RMB305.0 million and (ii) payments for purchase of property, plant and equipment and intangible assets of RMB0.7 million, partially offset by (i) proceeds from structured deposits of RMB300.1 million and (ii) proceeds from disposals of property, plant and equipment and intangible assets of RMB3.6 million.

In 2025, our net cash generated from investing activities was RMB6.2 million, which primarily consists of (i) cash inflows from disposal of associates of RMB14.6 million and (ii) proceeds from structured deposits of RMB105.5 million, partially offset by purchase of structured deposits of RMB110.0 million.

In 2024, our net cash used in investing activities was RMB22.4 million, which primarily consists of (i) payments for purchase of property, plant and equipment and intangible assets of RMB13.0 million and (ii) purchase of structured deposits of RMB233.2 million, partially offset by proceeds from structured deposits of RMB223.6 million.

In 2023, our net cash used in investing activities was RMB7.8 million, which primarily consists of (i) payments for purchase of property, plant and equipment and intangible assets of RMB3.4 million and (ii) purchase of structured deposits of RMB85.0 million, partially offset by proceeds from structured deposits of RMB85.2 million.

Net cash generated from/(used in) financing activities

Our cash generated from financing activities mainly comprises proceeds from bank loans and proceeds from capital injection. Our cash used in financing activities mainly comprises capital element of lease rentals paid, interest element of lease rentals paid, repayment of bank loans, interest paid, payment of [REDACTED] to be deducted from equity and dividend paid to non-controlling interests.

For the six months ended June 30, 2026, our net cash used in financing activities was RMB14.4 million, which primarily consists of (i) capital element of lease rentals paid of RMB8.4 million, (ii) repayment of bank loans of RMB22.2 million and (iii) payment of [REDACTED] to be deducted from equity of RMB2.5 million, partially offset by proceeds from bank loans of RMB20.0 million.

In 2025, our net cash used in financing activities was RMB39.4 million, which primarily consists of (i) capital element of lease rentals paid of RMB15.1 million and (ii) repayment of bank loans of RMB59.1 million, partially offset by proceeds from bank loans of RMB42.0 million.

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In 2024, our net cash used in financing activities was RMB4.3 million, which primarily consists of (i) capital element of lease rentals paid of RMB12.4 million and (ii) repayment of bank loans of RMB24.3 million, partially offset by proceeds from bank loans of RMB34.4 million.

In 2023, our net cash generated from financing activities was RMB55.2 million, which primarily consists of (i) proceeds from bank loans of RMB20.0 million and (ii) proceeds from capital injection of RMB53.0 million, partially offset by (i) capital element of lease rentals paid of RMB4.3 million and (ii) repayment of bank loans of RMB11.8 million.

INDEBTEDNESS

As of June 30, 2026, being the most recent practicable date for the purpose of the indebtedness statement, we had total indebtedness of RMB475.0 million, including bank loans, lease liabilities and redemption liability. During the Track Record Period and up to the Latest Practicable Date, we did not violate any material covenant in our bank loans or experience any default in payment of our bank loans, nor did we experience any difficulty in obtaining bank or other borrowings.

The following table sets forth the details of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	19,388	29,517	12,525	10,333
Redemption liabilities	397,268	419,988	445,234	457,599
Lease liabilities	1,959	33,548	20,267	7,075
Total	418,615	483,053	478,026	475,007

Bank Loans

We had bank loans of RMB19.4 million, RMB29.5 million, RMB12.5 million and RMB10.3 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. As of June 30, 2026, we had committed unutilized banking facilities of RMB50.0 million. Certain of our banking loans were guaranteed by related parties of our Group. See Note 35 of Appendix I to this document. Such guarantees will be released upon [REDACTED]. Our bank loans are all denominated in Renminbi. The effective interest rates of our bank loans ranged from 2.3% to 6.0% during the Track Record Period.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans				
Secured	19,127	28,825	12,141	10,100
Unsecured	261	692	384	233
Total	19,388	29,517	12,525	10,333

Our secured bank loans amounted to RMB19.1 million, RMB28.8 million and RMB12.1 million as of December 31, 2023, 2024 and 2025, respectively. As of June 30, 2026, our secured bank loans amounted to RMB10.1 million.

Our Directors confirm that there was no breach of any covenants on any of our outstanding debt during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Security provided for the bank loans outstanding are scheduled to be discharged before [REDACTED].

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For maturity analysis of bank loans during the Track Record Period, see Note 26 of Accountants’ Report set out in Appendix I to this document.

Lease Liabilities

Our lease liabilities primarily consist of lease contracts for items such as office premises and warehouses. Our lease liabilities increased from RMB2.0 million as of December 31, 2023 to RMB33.5 million as of December 31, 2024 primarily due to an increase in procurement of facilities for newly leased warehouses in Indonesia. Our lease liabilities decreased from RMB33.5 million as of December 31, 2024 to RMB20.3 million as of December 31, 2025, primarily due to our payment of outstanding leases. Our lease liabilities subsequently decreased to RMB7.1 million as of June 30, 2026, primarily due to the termination of certain warehouse leases.

As of June 30, 2026, we had lease liabilities of RMB5.4 million and RMB1.7 million shown under current liabilities and non-current liabilities, respectively.

For maturity analysis of lease liabilities during the Track Record Period, see Note 28 of Accountants’ Report set out in Appendix I to this document.

Redemption Liabilities

Our indebtedness also includes redemption liabilities relating to shares held by certain of our shareholders that come with certain special rights, such as redemption rights. As of December 31, 2023, 2024 and 2025, our redemption liabilities amounted to RMB397.3 million, RMB420.0 million and RMB445.2 million, respectively. Our redemption liabilities subsequently increased to RMB457.6 million as of June 30, 2026. The increase is primarily due to an increase over time in the finance costs relating to shares with special rights held by certain of our shareholders. For more information about the redemption liabilities including their movements during the Track Record Period, see Note 27 of Accountants’ Report set out in Appendix I to this document.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we did not have any material contingent liabilities.

Except as otherwise disclosed under the sections titled “— Indebtedness,” as of June 30, 2026, we did not have any material bank overdrafts, loans, or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees, or other material contingent liabilities. Our Directors confirm that there have been no material changes in our indebtedness since June 30, 2026 and up to the date of this document.

CAPITAL EXPENDITURES

Our capital expenditures paid in 2023, 2024 and 2025 were RMB3.4 million, RMB13.0 million and RMB4.5 million, respectively, representing payments for purchase of property, plant and equipment and intangible assets. For the six months ended June 30, 2026, our capital expenditures paid were RMB0.7 million, representing payments for purchase of property, plant and equipment and intangible assets. We funded our capital expenditure requirements mainly from borrowings, cash from sales and equity financing.

We expect that our capital expenditures in 2026 will primarily consist of payments for purchase of equipment and intangible assets, which is in line with our business growth. We intend to fund our future capital expenditures and long-term investments with borrowings, cash from sales and equity financing. See “Future Plans and Use of [REDACTED].”

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OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our material related party transactions during the Track Record Period, see Note 35 of Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountants’ Report in Appendix I to this document was conducted in the ordinary course of business on an arm’s-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk and liquidity risk, as set out below. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. We manage our foreign currency risk by entering into foreign exchange forward contracts. We do not apply hedge accounting. For further details, see Note 34 in the Accountants’ Report set out in Appendix I to this document.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest-bearing financial instruments with fixed and floating interest rates expose us to fair value interest rate risk and cash flow interest rate risk, respectively. Our interest rate risk arises primarily from bank loans. In the opinion of our Directors, we do not have a material interest rate risk exposure and hence no sensitivity analysis is presented.

Currency risk

We are exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

To mitigate this risk, we manage our net foreign currency exposure within an acceptable range by entering into foreign currency-denominated and RMB-denominated foreign exchange forward contracts to offset the potential adverse impact of exchange rate fluctuations on short-term imbalances.

Credit Risk

Credit risk refers to the risk that our counterparties will default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade receivables and other receivables. We do not hold any collateral or other credit enhancements to cover the credit risks associated with our financial assets.

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In the opinion of our Directors, we have no significant credit risk for the receivable from the related party because we can closely monitor the repayment of the related party. We have a concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on bank balance and restricted bank deposits is limited because the counterparties are state-owned or reputable financial institutions, which have no recent history of default. We have no significant concentration of credit risk on trade and other receivables, with exposure spread over a large number of counterparties and customers.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations. See Note 34 of the Accountants’ Report in Appendix I to this document.

DIVIDEND

As of the Latest Practicable Date, we did not have a fixed dividend distribution ratio and had not adopted any formal dividend policy. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions and other factors which our Directors consider relevant. As advised by our PRC Legal Adviser, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion, that, taking into account the [REDACTED] from the [REDACTED] and the financial resources available to us, including cash and cash equivalents, bank borrowings and cash from operating activities, we have sufficient working capital for our present requirements, that is, for at least 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we had no distributable reserves available for distribution to our Shareholders.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] of approximately [REDACTED] million, representing approximately [REDACTED] of the gross [REDACTED] from the [REDACTED] (based on the mid-point of the indicative [REDACTED] range and assuming the [REDACTED] or any option that may be granted under the [REDACTED] Share Option Scheme is not exercised). The [REDACTED] we incurred in the Track Record Period and expect to incur would consist of approximately [REDACTED] million [REDACTED] fees and approximately [REDACTED] million [REDACTED] fees (including fees and expenses of legal advisors and the reporting accountants of approximately [REDACTED] million and other fees and expenses of approximately [REDACTED] million). Among the total [REDACTED] which we expect to incur, approximately [REDACTED] million will be directly attributable to the issue of our Shares which will be deducted from equity upon [REDACTED], and the remaining [REDACTED] million will be or has been expensed.

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[REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information” for details.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the periods reported in the Accountants’ Report set out in Appendix I to this document, and there has been no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.