

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[73], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN WOKE TECHNOLOGY Co., LTD AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of SHENZHEN WOKE TECHNOLOGY Co., LTD (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-73, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and June 30, 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-73 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and June 30, 2026 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2025, and other explanatory information (the “**Stub Period Corresponding Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

Adjustments

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

Dividends

We refer to Note 33(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

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

[Date]

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Historical Financial Information

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

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

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Consolidated statements of profit or loss and other comprehensive income (Expressed in Renminbi (“RMB”))

	Note	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
Revenue	4	908,358	1,048,742	1,216,944	573,044	699,357
Cost of sales		(603,296)	(675,360)	(765,417)	(361,358)	(428,404)
Gross profit		305,062	373,382	451,527	211,686	270,953
Other net income	5	6,428	1,852	860	(2,963)	(14,064)
Research and development expenses		(20,926)	(18,151)	(14,417)	(7,092)	(7,623)
Selling and distribution expenses		(166,694)	(207,488)	(270,519)	(124,931)	(163,542)
General and administrative expenses		(71,046)	(88,487)	(74,167)	(32,251)	(41,238)
Impairment losses (recognized)/reversed on trade and other receivables		(950)	(1,401)	332	279	138
Profit from operations		51,874	59,707	93,616	44,728	44,624
Finance costs	6(a)	(1,435)	(4,061)	(5,086)	(2,705)	(1,075)
Changes in the carrying amount of redemption liabilities	27	(19,511)	(22,720)	(25,246)	(12,183)	(12,365)
Share of losses of associates	14	(258)	(4,094)	(2,787)	(2,497)	—
Profit before taxation	6	30,670	28,832	60,497	27,343	31,184
Income tax	7(a)	(12,351)	(8,479)	(12,545)	(5,687)	(6,388)
Profit for the year/period		18,319	20,353	47,952	21,656	24,796

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	<i>Note</i>	Year ended December 31,			Six months ended June 30,	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Other comprehensive income for the year/period (after tax)						
Items that may be reclassified subsequently to profit or loss:						
— Exchange differences on translation of financial statements of overseas subsidiaries		(673)	(2,969)	(11,245)	(2,142)	(19,778)
Items that will not be reclassified to profit or loss:						
— Remeasurement of defined benefit obligations.		(346)	(382)	106	202	986
Other comprehensive income for the year/period.		<u>(1,019)</u>	<u>(3,351)</u>	<u>(11,139)</u>	<u>(1,940)</u>	<u>(18,792)</u>
Total comprehensive income for the year/period.		<u>17,300</u>	<u>17,002</u>	<u>36,813</u>	<u>19,716</u>	<u>6,004</u>
Profit for the year/period attributable to:						
— Equity shareholders of the Company		21,212	20,374	46,846	21,005	24,235
— Non-controlling interests . .		(2,893)	(21)	1,106	651	561
Profit for the year/period . .		<u>18,319</u>	<u>20,353</u>	<u>47,952</u>	<u>21,656</u>	<u>24,796</u>
Total comprehensive income for the year/period attributable to:						
— Equity shareholders of the Company		20,193	17,023	35,707	19,065	5,443
— Non-controlling interests . .		(2,893)	(21)	1,106	651	561
Total comprehensive income for the year/period.		<u>17,300</u>	<u>17,002</u>	<u>36,813</u>	<u>19,716</u>	<u>6,004</u>
Earnings per share						
— Basic (<i>RMB</i>)	10(a)	2.38	2.24	5.16	2.31	2.67
— Diluted (<i>RMB</i>).	10(b)	2.38	2.24	5.16	2.31	2.65

The accompanying notes form part of the Historical Financial Information.

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Consolidated statements of financial position

(Expressed in RMB)

	Note	As at December 31,			As at June 30,
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	53,200	59,625	50,281	39,533
Right-of-use assets	12	10,640	43,772	29,990	18,474
Intangible assets	13	1,171	1,040	1,053	954
Interest in associates	14(a)	7,781	3,169	—	—
Other non-current assets	15	21,256	3,630	14,886	30,203
Deferred tax assets	30(b)	12,034	13,522	14,440	15,966
		106,082	124,758	110,650	105,130
Current assets					
Inventories	16	93,799	148,277	183,210	203,446
Trade receivables	17	12,019	29,079	30,666	30,055
Prepayments and other receivables	18	20,235	27,468	32,731	30,409
Other current assets	19	38,490	41,912	39,072	29,976
Other financial assets	20	—	11,421	18,136	23,612
Restricted cash	21	5,220	3,601	3,760	1,914
Cash and cash equivalents	22	199,985	259,520	274,505	244,314
		369,748	521,278	582,080	563,726
Current liabilities					
Trade payables	23	91,675	136,090	149,197	133,465
Other payables	24	30,913	34,431	34,578	28,517
Contract liabilities	25	7,641	9,286	10,798	9,118
Bank loans	26	19,384	29,100	12,403	10,323
Redemption liabilities	27	341,838	362,315	445,234	457,599
Lease liabilities	28	1,349	14,657	14,064	5,380
Current taxation	30(a)	6,614	4,869	7,912	2,041
Provision	31	3,799	4,397	4,715	4,724
Defined benefit obligations	32	316	398	300	328
		503,529	595,543	679,201	651,495
Net current liabilities		(133,781)	(74,265)	(97,121)	(87,769)
Total assets less current liabilities		(27,699)	50,493	13,529	17,361
Non-current liabilities					
Bank loans	26	4	417	122	10
Redemption liabilities	27	55,430	57,673	—	—
Lease liabilities	28	610	18,891	6,203	1,695
Defined benefit obligations	32	4,027	4,914	6,061	5,239
Deferred tax liabilities	30(b)	—	—	2	6
Long-term liabilities		18	18	17	15
		60,089	81,913	12,405	6,965
Net (liabilities)/assets		(87,788)	(31,420)	1,124	10,396

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	<i>Note</i>	As at December 31,			As at June 30,
		2023	2024	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Capital and reserves	<i>33</i>				
Paid-in capital/share capital .		9,078	9,078	9,078	9,078
Reserves		(94,770)	(38,067)	(10,371)	(1,180)
Total (deficit)/equity attributable to equity shareholders of the Company		(85,692)	(28,989)	(1,293)	7,898
Non-controlling interests . . .		(2,096)	(2,431)	2,417	2,498
Total (deficit)/equity		<u>(87,788)</u>	<u>(31,420)</u>	<u>1,124</u>	<u>10,396</u>

The accompanying notes form part of the Historical Financial Information.

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Statements of financial position of the Company (Expressed in RMB)

	Note	As at December 31,			As at June 30,
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property and equipment		777	929	358	285
Right-of-use assets		851	11	—	3,003
Intangible assets		1,137	1,009	1,007	929
Interest in an associate		4,092	—	—	—
Investment in subsidiaries . .	14(b)	54,606	138,976	138,207	140,811
Deferred tax assets		4,358	177	—	136
		<u>65,821</u>	<u>141,102</u>	<u>139,572</u>	<u>145,164</u>
Current assets					
Inventories		593	—	—	—
Trade receivables	17	173,979	143,804	191,612	214,446
Prepayments and other receivables	18	4,716	47,822	49,881	47,473
Other current assets		8,137	3,417	981	941
Other financial assets		—	11,420	16,270	1,261
Restricted cash		3,124	3,150	3,343	1,533
Cash and cash equivalents . .	22	95,067	32,069	11,521	22,300
		<u>285,616</u>	<u>241,682</u>	<u>273,608</u>	<u>287,954</u>
Current liabilities					
Trade payables	23	3,267	249	293	251
Other payables	24	12,129	11,821	13,424	12,019
Bank loans	26	19,127	—	2,002	—
Redemption liabilities	27	341,838	362,315	445,234	457,599
Lease liabilities		959	26	—	1,659
Current taxation		5,361	2,333	3,365	881
		<u>382,681</u>	<u>376,744</u>	<u>464,318</u>	<u>472,409</u>
Net current liabilities		<u>(97,065)</u>	<u>(135,062)</u>	<u>(190,710)</u>	<u>(184,455)</u>
Total assets less current liabilities		<u>(31,244)</u>	<u>6,040</u>	<u>(51,138)</u>	<u>(39,291)</u>
Non-current liabilities					
Redemption liabilities	27	55,430	57,673	—	—
Lease liabilities		170	—	—	1,351
		<u>55,600</u>	<u>57,673</u>	<u>—</u>	<u>1,351</u>
Net liabilities		<u>(86,844)</u>	<u>(51,633)</u>	<u>(51,138)</u>	<u>(40,642)</u>
Capital and reserves	33				
Paid-in capital/share capital .		9,078	9,078	9,078	9,078
Reserves		(95,922)	(60,711)	(60,216)	(49,720)
Total deficit		<u>(86,844)</u>	<u>(51,633)</u>	<u>(51,138)</u>	<u>(40,642)</u>

The accompanying notes form part of the Historical Financial Information.

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Consolidated statements of changes in equity (Expressed in RMB)

	Attributable to owners of the Company								
	Paid-in capital	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 Note 33(b)	RMB'000 Note 33(c)(i)	RMB'000 Note 33(c)(ii)	RMB'000 Note 33(c)(iii)	RMB'000 Note 33(c)(iv)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	8,727	(27,183)	(713)	(1,648)	17,343	(111,379)	(114,853)	(1,083)	(115,936)
Profit for the year	—	—	—	—	—	21,212	21,212	(2,893)	18,319
Other comprehensive income	—	—	(673)	(346)	—	—	(1,019)	—	(1,019)
Total comprehensive income for the year	—	—	(673)	(346)	—	21,212	20,193	(2,893)	17,300
Issuance of ordinary shares with redemption rights . .	351	54,499	—	—	—	—	54,850	—	54,850
Recognition of redemption liabilities (Note 27) . . .	—	(54,850)	—	—	—	—	(54,850)	—	(54,850)
Equity-settled share-based payment expenses	—	—	—	—	8,968	—	8,968	—	8,968
Disposal of a subsidiary . .	—	—	—	—	—	—	—	2,087	2,087
Dividend declared by a subsidiary.	—	—	—	—	—	—	—	(207)	(207)
	351	(351)	—	—	8,968	—	8,968	1,880	10,848
At December 31, 2023 . .	9,078	(27,534)	(1,386)	(1,994)	26,311	(90,167)	(85,692)	(2,096)	(87,788)

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Attributable to owners of the Company									
	Paid-in capital	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 Note 33(b)	RMB'000 Note 33(c)(i)	RMB'000 Note 33(c)(ii)	RMB'000 Note 33(c)(iii)	RMB'000 Note 33(c)(iv)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	9,078	(27,534)	(1,386)	(1,994)	26,311	(90,167)	(85,692)	(2,096)	(87,788)
Profit for the year	—	—	—	—	—	20,374	20,374	(21)	20,353
Other comprehensive income	—	—	(2,969)	(382)	—	—	(3,351)	—	(3,351)
Total comprehensive income for the year	—	—	(2,969)	(382)	—	20,374	17,023	(21)	17,002
Equity-settled share-based payment expenses	—	—	—	—	35,970	—	35,970	—	35,970
Shares vested [REDACTED]	—	62,281	—	—	(62,281)	—	—	—	—
Derecognition of a subsidiary	—	—	—	—	—	—	—	(194)	(194)
The effect of passive dilution of an associate	—	3,710	—	—	—	—	3,710	—	3,710
Dividend declared by a subsidiary	—	—	—	—	—	—	—	(120)	(120)
	—	65,991	—	—	(26,311)	—	39,680	(314)	39,366
At December 31, 2024	9,078	38,457	(4,355)	(2,376)	—	(69,793)	(28,989)	(2,431)	(31,420)

Attributable to owners of the Company									
	Paid-in capital/ Share capital	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 Note 33(b)	RMB'000 Note 33(c)(i)	RMB'000 Note 33(c)(ii)	RMB'000 Note 33(c)(iii)	RMB'000 Note 33(c)(iv)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	9,078	38,457	(4,355)	(2,376)	—	(69,793)	(28,989)	(2,431)	(31,420)
Profit for the year	—	—	—	—	—	46,846	46,846	1,106	47,952
Other comprehensive income	—	—	(11,245)	106	—	—	(11,139)	—	(11,139)
Total comprehensive income for the year	—	—	(11,245)	106	—	46,846	35,707	1,106	36,813
Disposal of an associate	—	(3,710)	—	—	—	—	(3,710)	—	(3,710)
Dividend declared by a subsidiary	—	—	—	—	—	—	—	(330)	(330)
Conversion into a joint stock limited liability company (Note 33(b)).	—	41,267	—	—	—	(41,267)	—	—	—
Acquisition of non-controlling interests	—	(4,301)	—	—	—	—	(4,301)	4,072	(229)
	—	33,256	—	—	—	(41,267)	(8,011)	3,742	(4,269)
At December 31, 2025	9,078	71,713	(15,600)	(2,270)	—	(64,214)	(1,293)	2,417	1,124

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Attributable to owners of the Company									
	Share capital	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 Note 33(b)	RMB'000 Note 33(c)(i)	RMB'000 Note 33(c)(ii)	RMB'000 Note 33(c)(iii)	RMB'000 Note 33(c)(iv)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2026	9,078	71,713	(15,600)	(2,270)	—	(64,214)	(1,293)	2,417	1,124
Profit for the period	—	—	—	—	—	24,235	24,235	561	24,796
Other comprehensive income	—	—	(19,778)	986	—	—	(18,792)	—	(18,792)
Total comprehensive income for the period	—	—	(19,778)	986	—	24,235	5,443	561	6,004
Equity-settled share-based payment expenses	—	—	—	—	3,748	—	3,748	—	3,748
Dividend declared by a subsidiary	—	—	—	—	—	—	—	(480)	(480)
	—	—	—	—	3,748	—	3,748	(480)	3,268
At June 30, 2026	9,078	71,713	(35,378)	(1,284)	3,748	(39,979)	7,898	2,498	10,396

Attributable to owners of the Company									
	Paid-in capital	Capital reserve	Exchange reserve	Defined benefit obligations remeasurement reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 Note 33(b)	RMB'000 Note 33(c)(i)	RMB'000 Note 33(c)(ii)	RMB'000 Note 33(c)(iii)	RMB'000 Note 33(c)(iv)	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)									
At January 1, 2025	9,078	38,457	(4,355)	(2,376)	—	(69,793)	(28,989)	(2,431)	(31,420)
Profit for the period	—	—	—	—	—	21,005	21,005	651	21,656
Other comprehensive income	—	—	(2,142)	202	—	—	(1,940)	—	(1,940)
Total comprehensive income for the period	—	—	(2,142)	202	—	21,005	19,065	651	19,716
Dividend declared by a subsidiary	—	—	—	—	—	—	—	(330)	(330)
At June 30, 2025	9,078	38,457	(6,497)	(2,174)	—	(48,788)	(9,924)	(2,110)	(12,034)

The accompanying notes form part of the Historical Financial Information.

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Consolidated statements of cash flows

(Expressed in RMB)

		Year ended December 31,			Six months ended June 30,	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Cash generated from operations . . .	22(b)	52,216	83,423	86,711	41,536	30,142
Income tax (paid)/refund		(7,164)	5,417	(22,945)	(18,407)	(29,494)
Net cash generated from operating activities		45,052	88,840	63,766	23,129	648
Investing activities						
Payments for purchase of property, plant and equipment and intangible assets.		(3,419)	(13,045)	(4,504)	(2,036)	(718)
Proceeds from disposal of property, plant and equipment and intangible assets.		187	253	570	370	3,587
Cash inflows from disposal of associates		—	—	14,634	—	—
Net cash outflows from disposal of a subsidiary.		(360)	—	—	—	—
Payment for investment in an associate		(4,350)	—	—	—	—
Proceeds from structured deposits .		85,184	223,612	105,474	87,325	300,128
Purchase of structured deposits . . .		(85,000)	(233,244)	(110,000)	(102,000)	(305,000)
Net cash (used in)/generated from investing activities		(7,758)	(22,424)	6,174	(16,341)	(2,003)
Financing activities						
Capital element of lease rentals paid	22(c)	(4,283)	(12,436)	(15,093)	(6,322)	(8,432)
Interest element of lease rentals paid	22(c)	(329)	(2,637)	(2,881)	(1,599)	(737)
Proceeds from bank loans	22(c)	20,000	34,413	42,032	40,032	20,032
Repayment of bank loans.	22(c)	(11,800)	(24,300)	(59,139)	(15,982)	(22,184)
Interest paid	22(c)	(1,117)	(1,125)	(1,737)	(799)	(172)
Proceeds from capital injection . . .	22(c)	52,957	1,893	—	—	—
Payment of [REDACTED] to be deducted from equity		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividend paid to non-controlling interests.		(207)	(120)	(330)	(330)	(480)
Net cash generated from/(used in) financing activities		55,221	(4,312)	(39,424)	15,000	(14,427)

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	<i>Note</i>	Year ended December 31,			Six months ended June 30,	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net increase/(decrease) in cash and cash equivalents.		92,515	62,104	30,516	21,788	(15,782)
Cash and cash equivalents at the beginning of the 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	22(a)	<u>199,985</u>	<u>259,520</u>	<u>274,505</u>	<u>278,263</u>	<u>244,314</u>

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB)

1 Basis of preparation and presentation of the Historical Financial Information

SHENZHEN WOKE TECHNOLOGY Co., LTD (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on May 6, 2014, as a limited liability company under the Company Law of the PRC and was converted into a joint stock limited liability company on November 14, 2025.

The Company and its subsidiaries (together, the “**Group**”) are a cross-border retail enterprise underpinned by the digitalised capabilities, with a strategic focus on the Southeast Asian market and the product portfolio covering 3C (“**Computer, Communication and Consumer Electronics**”) accessories, small appliances, and home furnishings & building materials.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules or regulations applicable to entities in the countries and regions in which they were incorporated or established. The statutory financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Pan-China Certified Public Accountants LLP.

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	Place of incorporation and business and date of incorporation	Particulars of registered capital and paid-up capital	Proportion of ownership Interest		Principal activities	Name of auditor
			Held by the Company	Held by the subsidiary		
Shenzhen Vivan Cloud Chain Technology Co., Ltd (深圳市非凡雲鏈科技有限公司) (i)(ii)	The PRC August 21, 2023	RMB10,000,000	100.00%	—	Services related to supply chain, marketing, and sales operational services, including end-to-end supply chain management solutions and business operations support services, which encompass the formulation and implementation of strategic procurement plans, logistics and warehouse management, the development and maintenance of supplier relationships, and the conduct of commercial negotiations; overseeing the brand planning and promotional activities of the Group’s subsidiaries across Southeast Asia	2023: SHEN ZHEN ZHONG HANG CERTIFIED PUBLIC ACCOUNTANTS (深圳市中航會計師事務所(普通合夥)) 2024-2025: Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥))
Shenzhen Haisi Technology Co., Ltd (深圳市海絲科技有限公司) (i)(ii).	The PRC August 9, 2023	RMB6,000,000	100.00%	—	Trade in 3C accessories and small appliances	2023: SHEN ZHEN ZHONG HANG CERTIFIED PUBLIC ACCOUNTANTS (深圳市中航會計師事務所(普通合夥)) 2024-2025: Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥))

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Company name	Place of incorporation and business and date of incorporation	Particulars of registered capital and paid-up capital	Proportion of ownership Interest		Principal activities	Name of auditor
			Held by the Company	Held by the subsidiary		
Yiwu Wook Home Household Products Co., Ltd. (義烏市沃品家居用品有限公司) (i)(ii)(iii)	The PRC June 29, 2018	RMB5,000,000	70.00%	—	Trade in home improvement and building materials	2023-2024 : NA 2025 : JINHUA Daofeng Certified Public Accountants (General Partnership) 金華稻豐會計師事務所(普通合夥)
Hong Kong Maritime Silk Technology Co., Limited (ii)	Hong Kong September 19, 2017	United States Dollar (USD) 15,128,000	100.00%	—	Import and export business; trade	2023: LEE CHI FAI & CO. 2024-2025: Shine Wise & Co. CPA
PT WOOK GLOBAL TECHNOLOGY (ii)	Indonesia July 10, 2018	Indonesia Rupiah (IDR) 306,000,000,000	—	100.00%	Wholesale trading, warehousing and storage, web portals and/or digital platforms for commercial purposes	2023-2025: KAP HENDRAWINATA HANNY ERWIN & SUMARGO
PT WIN ECOMMERCE INTERNATIONAL (ii)	Indonesia November 12, 2020	IDR 10,000,000,000	—	100.00%	Retail trade, warehousing and storage, web portals and/or digital platforms for purposes	2023-2025: KAP HENDRAWINATA HANNY ERWIN & SUMARGO
PT WOOFUN GLOBAL TECHNOLOGY (ii)	Indonesia February 18, 2022	IDR 10,000,000,000	—	100.00%	Retail trading activities	2023-2025: KAP HENDRAWINATA HANNY ERWIN & SUMARGO
PT MOBILE BERSINAR PAPUA (ii)	Indonesia December 18, 2020	IDR 10,000,000,000	—	100.00%	Wholesale trade and repair services	2023-2024: KAP Gani Sigiرو & Handayani 2025: KAP HENDRAWINATA HANNY ERWIN & SUMARGO
PT ULINK SUPPLY CHAIN TECHNOLOGY (ii)	Indonesia March 18, 2024	IDR 10,500,000,000	—	100.00%	Transportation and warehousing	2024-2025: KAP HENDRAWINATA HANNY ERWIN & SUMARGO
WOOK GLOBAL TECHNOLOGY VIETNAM COMPANY LIMITED (ii)	Vietnam July 11, 2019	Vietnamese Dong (VND) 10,665,250,000	—	100.00%	Export, import, and wholesale distribution of goods	2023-2025: Asia Dragon Auditing & Appraisal Value Co., Ltd
WOOK GLOBAL PHILIPPINE TECHNOLOGY INC. (ii)	The Philippines November 5, 2019	December 31, 2023, 2024 and 2025: Philippine Peso (PHP) 10,500,000 June 30, 2026: PHP30,000,000	—	100.00%	Wholesale trading of goods and merchandises	2023-2025 : Yi Consulting Inc.

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Company name	Place of incorporation and business and date of incorporation	Particulars of registered capital and paid-up capital	Proportion of ownership Interest		Principal activities	Name of auditor
			Held by the Company	Held by the subsidiary		
WOOK GLOBAL TECHNOLOGY (THAILAND) CO., LTD. (ii)	Thailand June 15, 2020	December 31, 2023, 2024 and 2025: Thailand Baht (THB) 12,800,000 June 30, 2026: THB200,000,000	—	December 31, 2023 and 2024: 66.04% December 31, 2025 and June 30, 2026: 100.00%	Online retail sale	2023-2024: SAM NAK-NGAN A.M.T.AUDIT GROUP CO., LTD 2025: Arphakorn Advisory Company Limited

Notes:

- (i) The official name of these entities is in Chinese. The English translation of the names is for identification purpose only.
- (ii) The financial statements of these entities have been prepared in accordance with the relevant accounting standards applicable to entities in the countries/jurisdictions in which they were incorporated/established.
- (iii) No audited statutory financial statements were prepared for this entity for the Track Record Period unless otherwise indicated.

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 are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has 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 accounting period beginning on January 1, 2026. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on January 1, 2026 are set out in Note 38.

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

As at June 30, 2026, the Group recorded net current liabilities of RMB87,769,000, which included redemption liabilities amounted to RMB457,599,000 (see Note 27). The carrying amounts of the redemption liabilities will be reclassified to equity upon the [REDACTED] of the Company’s H shares on the Stock Exchange. The directors have reviewed the Group’s cash flow projections, which cover a period of twelve months from the date of this report. Notwithstanding the net current liabilities as at June 30, 2026, the directors of the Company consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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2 Material accounting policy information

(a) *Basis of measurement*

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies below:

- investments in unlisted debt and equity securities (see Note 2(e)); and
- other financial instruments measured at fair value through profit or loss (see Note 2(f)).

(b) *Use of estimates and judgments*

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

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

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) *Subsidiaries and non-controlling interests*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale.

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale. They are initially recognized at cost, which includes transaction costs. Subsequently, the financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence ceases.

When the Group’s share of losses exceeds its interest in the associates, the Group’s interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group’s interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group’s net investment in the associates, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(ii)).

Unrealized profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(e) Other investments in debt and equity securities

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

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 34(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- fair value through other comprehensive income (“FVOCI”) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit losses,

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interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) *Equity investments*

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

(f) *Derivative financial instruments*

The Group holds derivative financial instruments to manage its foreign currency risk exposures. Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss. The Group does not apply hedge accounting and has not designated any derivatives as hedges of net investment in a foreign operation.

(g) *Property, plant and equipment*

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives for the Track Record Periods are as follows:

— Building	20 years
— Vehicle	4-8 years
— Equipment and other	3–8 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) *Intangible assets*

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to

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and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (see Note 2(j)(ii)).

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

— Software	4–10 years
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The estimated useful lives of software are determined based on the expected period of technological or commercial usability of the software.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) *Leased assets*

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *As a lessee*

Where the contracts contain lease component(s) and non-lease component(s), the Group has elected to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will

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exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

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

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(i)(i), then the Group classifies the sub-lease as an operating lease.

(j) Credit losses and impairment of assets

- (i) The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables).*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if the effect is material:

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

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

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 2(e)).

Credit-impaired financial assets

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

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

- significant financial difficulties of the debtor;

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- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

(ii) Impairment of other non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment.

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

- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- investments in subsidiaries in the Company’s statement of financial position.

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

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the

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other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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

(k) Inventories

Inventories are measured at the lower of cost and net realizable value as follows:

Cost is calculated using first-in and first-out method and comprises all costs of purchase, costs 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.

(l) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(t)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(t)(ii)).

(m) Trade and other receivables

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

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

(o) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

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(p) Bank loans

Bank loans are measured initially at fair value less transaction costs. Subsequent these bank loans are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(v).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The Group operates share incentive plans, under which it receives services from eligible participants as consideration for equity instruments (including share options and restricted ordinary shares) of the Group. The fair value of the services received in exchange for the grant of the equity instruments (share options and restricted ordinary shares) is recognized as an expense in the consolidated statements of profit or loss with a corresponding increase in share-based payments reserve in equity.

Restricted ordinary shares

For grant of restricted ordinary shares of the Company, the total amount to be expensed is determined by reference to the fair value of the Company’s ordinary shares at the grant date. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of restricted ordinary shares that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Share options

For grant of share options, the total amount to be expensed is determined by reference to the fair value of the options granted using option-pricing models. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The equity amount is recognized in the share-based payment reserve until either the option is exercised (when it is included in the amount recognized in share capital and capital reserve for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

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(iv) Defined benefit obligations

The Group provides defined benefit plans to its employees in Indonesia in conformity with the relevant requirements of Indonesia’s labor regulations. The provision for defined benefit plans is determined using the Projected Unit Credit method. Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, are recognized immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss at the earlier of:

- The date of the plan amendment or curtailment; or
- The date of the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognizes the following changes in the net defined benefit obligation in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing

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temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for refund liabilities to sales with a right of return in practice was recognized based on historical sales return data associated with similar products.

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

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

(t) Revenue and other net income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group’s business.

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

(i) Revenue from contract 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 the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that good or service is transferred to a customer. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognizes revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognizes revenue in the amount of any fee or commission to which it expects to be entitled.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group recognizes provision for the warranty, which is presented as cost of sales (see Note 2(s)).

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, provision is recognized. A right of return asset is also recognized for the right to recover products from a customer.

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(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset is recognized as deferred income in the statement of financial position and amortized over the useful life of the related asset, and is recognized as other income.

(u) 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 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 the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes 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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(v) *Borrowing costs*

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) *Redemption liabilities*

A contract that contains an obligation for the Company or the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability even if the Company’s or the Group’s obligation to purchase is conditional on the counterparty exercising its right to redeem. The redemption liabilities are initially recognized and subsequently measured at the present value of the redemption amount, which represents the settlement that would be triggered by the event with the highest settlement outcome. Changes in the carrying amounts of the redemption liabilities are recognized in profit or loss as “changes in the carrying amount of redemption liabilities”. The redemption liabilities would be reclassified to equity upon the [REDACTED] of the Company’s H shares on the Stock Exchange.

(x) *Related parties*

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
 - (i) has control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group’s parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

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

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(y) Segment reporting

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

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

3 Accounting judgment and estimates

Note 34 contain information about the assumptions and their risk factors relating to measurement of ECL allowance for trade receivables and fair value of financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Net realizable value of inventories

Net realizable value of inventories 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. Special consideration is given to estimate the selling price of those technically obsolete and/or slow-moving inventory items. Management reassesses these estimations at the end of reporting period to ensure inventory is shown at the lower of cost and net realizable value.

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

The Group measures the cost of share-based payments with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The determination of the fair value of the share-based payments is affected by the significant assumptions such as the underlying equity value, the expected volatility of [REDACTED] and risk-free interest rate. Details of share-based payments are contained in Note 29.

(iii) Income taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Significant judgment is required in determining the tax position and the estimates and assumptions in relation to the provision for taxes, having regard to the nature and timing of their origination and compliance with the relevant tax legislation.

The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations. Management periodically evaluates positions taken in income tax charge with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

Deferred tax assets are recognized only if it is probable that future taxable profits will be available to utilize those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax

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legislation associated with their recoupment. In addition, the applicable tax rate used in recognizing deferred tax assets is determined by the forecast proportion of assessable income against gross sales and the timing of the usage of tax losses when the entity was granted income tax incentives.

4 Revenue and segment reporting

(a) Revenue

The Group is principally engaged in cross-border sales of products including 3C accessories, small appliances and home furnishings & building materials to Southeast Asian countries.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within scope of IFRS 15 by major products and services are as follows:

	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
3C accessories	692,611	751,587	813,384	397,642	405,581
Small appliances	40,065	103,741	171,006	69,188	145,861
Home furnishings & building materials	67,688	88,968	133,528	59,948	93,784
Others (note)	107,994	104,446	99,026	46,266	54,131
	<u>908,358</u>	<u>1,048,742</u>	<u>1,216,944</u>	<u>573,044</u>	<u>699,357</u>

Note: Others primarily consist of sales of lifestyle products, stationery and electric two-wheelers, as well as offering of warehousing services.

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

	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
Point in time	<u>908,358</u>	<u>1,048,742</u>	<u>1,216,944</u>	<u>573,044</u>	<u>699,357</u>

The Group’s customer base is diversified, and the Group did not have any customer with whom transactions have exceeded 10% of the Group’s aggregate revenue during the Track Record Periods.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 and does not disclose remaining performance obligations under existing sales contracts as the performance obligations under these contracts have an original expected duration of one year or less.

(b) Segment reporting

(i) Segment results

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group’s chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group’s management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the Track Record Periods.

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(ii) Geographic information

The following table sets out information about the geographical location of the Group’s revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered, or the services provided.

	Revenues from external customers				
	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
Indonesia	871,036	1,004,839	1,143,543	538,177	650,728
Others	37,322	43,903	73,401	34,867	48,629
	<u>908,358</u>	<u>1,048,742</u>	<u>1,216,944</u>	<u>573,044</u>	<u>699,357</u>

Most of the Group’s non-current assets are located in Indonesia.

5 Other net income

	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	182	424	56	353
Fair value changes on financial instruments measured at fair value through profit or loss .	184	545	314	165	603
Gains on disposal of an associate	—	871	16,635	—	—
Losses on disposal of a subsidiary	(1,398)	—	—	—	—
Interest income	1,529	1,904	2,151	1,324	1,022
Net exchange gains/(losses)	6,076	(2,019)	(18,194)	(4,161)	(17,923)
Gains/(losses) on disposal of property, plant and equipment and early termination of right-of-use assets .	11	62	(18)	(27)	1,279
Others	(39)	307	(452)	(320)	602
	<u>6,428</u>	<u>1,852</u>	<u>860</u>	<u>(2,963)</u>	<u>(14,064)</u>

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6 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	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
Interest on bank loans . .	809	1,141	1,852	924	132
Interest on defined benefit obligations . . .	297	283	353	182	206
Interest on lease liabilities	329	2,637	2,881	1,599	737
	<u>1,435</u>	<u>4,061</u>	<u>5,086</u>	<u>2,705</u>	<u>1,075</u>

(b) Staff costs

	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
Salaries, wages and other benefits	151,347	162,873	172,681	88,907	91,517
Contributions to defined contribution retirement plans	3,340	3,633	4,405	2,212	2,566
Expenses recognized in respect of defined benefit obligations (Note 32(b))	1,074	1,493	2,028	910	921
Equity-settled share-based payment expenses (Note 29) . . .	8,968	35,970	—	—	3,748
	<u>164,729</u>	<u>203,969</u>	<u>179,114</u>	<u>92,029</u>	<u>98,752</u>

Note: Employees of the Group’s subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

In the PRC, the Group’s subsidiaries contribute funds which are calculated at certain percentages of applicable salary bases as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All other overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

In accordance with Indonesian labor regulations, employees are entitled to certain post-employment benefits, which become payable upon termination of employment or retirement. These benefits are primarily based on years of service and compensation at termination or retirement. Other than the above, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the contributions.

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(c) Other items

	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
Cost of inventories (Note 16)	603,296	660,827	748,967	352,836	422,798
Depreciation and amortization					
— Property, plant and equipment	5,151	6,388	7,820	3,953	3,460
— Right-of-use assets . .	4,963	10,710	14,748	7,398	6,437
— Intangible assets	253	278	297	143	109
Impairment losses recognized/(reversed)					
— Trade receivables . . .	771	1,359	280	170	(198)
— Other receivables . . .	179	42	(612)	(449)	60
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

7 Income tax in the consolidated statements of profit or loss and other comprehensive income

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	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
Current tax					
Provision for the year/period.	14,382	10,060	13,734	7,631	8,447
Deferred taxation					
Origination and reversal of temporary differences (Note 30(b))	(2,031)	(1,581)	(1,189)	(1,944)	(2,059)
Income tax expense	12,351	8,479	12,545	5,687	6,388

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

	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
Profit before taxation . . .	30,670	28,832	60,497	27,343	31,184
Tax calculated at statutory income tax rate of 25%	7,667	7,208	15,124	6,836	7,796
Tax effects of different tax rates applicable to subsidiaries	(560)	(2,443)	(5,086)	(2,532)	(3,487)
Tax effects of non-taxable income . .	(282)	(388)	(2,937)	(115)	(159)
Tax effects of non-deductible expenses	4,678	3,432	5,254	2,020	2,699
Tax effect of unrecognized unused tax losses and deductible temporary differences	2,175	1,721	1,129	56	—
Tax effect of additional deduction on research and development expenses	(1,327)	(1,051)	(939)	(578)	(461)
Income tax expense . . .	<u>12,351</u>	<u>8,479</u>	<u>12,545</u>	<u>5,687</u>	<u>6,388</u>

Notes:

- (i) The Company and the subsidiaries of the Group established in the Chinese Mainland are subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period except for those subject to tax concessions disclosed in the notes below.
- (ii) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of “High and New Technology Enterprise” (“HNTe”), which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfillment of the recognition criteria.
- (iii) According to the relevant tax rules in the Chinese Mainland, qualified research and development expenses are allowed for additional tax deduction based on 100% of the relevant expenses during the Track Record Period.
- (iv) According to the PRC income tax law and its relevant regulations, the entity that qualified as small and micro enterprises is entitled to a preferential income tax rate of 5% during the Track Record Period.
- (v) For the Hong Kong subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for the Hong Kong subsidiary was calculated at the same basis during the Track Record Period.
- (vi) Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries.

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(c) *The applicable tax rates of the Group’s overseas subsidiaries are as follows:*

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Indonesia	22.00%	22.00%	22.00%	22.00%
Vietnam	20.00%	20.00%	20.00%	20.00%
Thailand.	20.00%	20.00%	20.00%	20.00%
The Philippines	25.00%	25.00%	25.00%	25.00%

(d) *Pillar Two income taxes*

Given that the Group’s full-year revenue is less than Euro750 million, the Group is not subject to the Global Anti-Base Erosion Model Rules (“**Pillar Two model rules**”) published by the Organisation for Economic Co-operation and Development. Consequently, the Group has not recognized any current tax relating to the Pillar Two model rules for the Track Record Period.

8 Directors’ and supervisors’ emoluments

Details of emoluments of directors and supervisors are as follows:

	Year ended December 31, 2023							
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Others	Sub-total	Share-based payment expenses (i)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors								
Mr. Xu Longhua	—	1,663	404	6	—	2,073	—	2,073
Mr. Wang Feng	—	557	177	6	—	740	985	1,725
Mr. Yao Hongbin	—	506	115	6	—	627	929	1,556
Ms. Dai Hong	—	234	62	5	—	301	232	533
Sub-total	—	2,960	758	23	—	3,741	2,146	5,887
Non-Executive Directors								
Mr. Xin Jifu.	—	—	—	—	—	—	—	—
Mr. Li Xin	—	—	—	—	—	—	—	—
Mr. Zhao Wu	—	—	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—	—	—
Supervisors								
Ms. Xu Fangchun	—	—	—	—	—	—	—	—
Mr. Bi Ziyang	—	334	76	6	—	416	391	807
Mr. Zheng Zhong	—	—	—	—	—	—	—	—
Sub-total	—	334	76	6	—	416	391	807
Total	—	3,294	834	29	—	4,157	2,537	6,694

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Year ended December 31, 2024								
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Others	Sub-total	Share-based payment expenses (i)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors								
Mr. Xu Longhua	—	1,637	57	9	33	1,736	—	1,736
Mr. Wang Feng	—	[REDACTED]	178	9	—	787	1,917	2,704
Mr. Yao Hongbin	—	509	90	9	—	608	1,359	1,967
Ms. Dai Hong	—	253	52	7	—	312	519	831
Sub-total	—	2,999	377	34	33	3,443	3,795	7,238
Non-Executive Directors								
Mr. Xin Jifu.	—	—	—	—	—	—	—	—
Mr. Li Xin	—	—	—	—	—	—	—	—
Mr. Zhao Wu	—	—	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—	—	—
Supervisors								
Ms. Xu Fangchun	—	—	—	—	—	—	—	—
Mr. Bi Ziyang	—	388	68	8	—	464	363	827
Mr. Zheng Zhong	—	—	—	—	—	—	—	—
Sub-total	—	388	68	8	—	464	363	827
Total	—	3,387	445	42	33	3,907	4,158	8,065

Year ended December 31, 2025								
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Others	Sub-total	Share-based payment expenses (i)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors								
Mr. Xu Longhua	—	1,583	97	10	396	2,086	—	2,086
Mr. Wang Feng	—	614	206	10	—	830	—	830
Mr. Yao Hongbin	—	509	77	10	—	596	—	596
Ms. Dai Hong	—	281	72	9	—	362	—	362
Sub-total	—	2,987	452	39	396	3,874	—	3,874
Non-Executive Directors								
Mr. Xin Jifu (ii)	—	—	—	—	—	—	—	—
Mr. Li Xin (ii).	—	—	—	—	—	—	—	—
Mr. Zhao Wu (ii)	—	—	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—	—	—
Independent Non-Executive Directors								
Mr. Tao Zhigang (ii)(iii)	—	—	—	—	—	—	—	—
Ms. Liang Bishan (ii).	3	—	—	—	—	3	—	3
Mr. Han Bin (ii).	3	—	—	—	—	3	—	3
Sub-total	6	—	—	—	—	6	—	6
Supervisors								
Ms. Xu Fangchun (ii)	—	—	—	—	—	—	—	—
Mr. Bi Ziyang (ii)	—	399	57	10	—	466	—	466
Mr. Zheng Zhong (ii).	—	—	—	—	—	—	—	—
Sub-total	—	399	57	10	—	466	—	466
Total	6	3,386	509	49	396	4,346	—	4,346

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Six months ended June 30, 2026								
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Others	Sub-total	Share-based payment expenses (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive Directors								
Mr. Xu Longhua	—	771	22	11	198	1,002	—	1,002
Mr. Wang Feng	—	263	38	11	—	312	90	402
Mr. Yao Hongbin	—	210	11	11	—	232	75	307
Ms. Dai Hong	—	123	3	8	—	134	15	149
Sub-total	—	1,367	74	41	198	1,680	180	1,860
Independent Non-Executive Directors								
Mr. Tao Zhigang	40	—	—	—	—	40	—	40
Ms. Liang Bishan	40	—	—	—	—	40	—	40
Mr. Han Bin	40	—	—	—	—	40	—	40
Sub-total	120	—	—	—	—	120	—	120
Total	120	1,367	74	41	198	1,800	180	1,980
Six months ended June 30, 2025 (unaudited)								
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Others	Sub-total	Share-based payment expenses (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive Directors								
Mr. Xu Longhua	—	792	11	5	198	1,006	—	1,006
Mr. Wang Feng	—	309	44	5	—	358	—	358
Mr. Yao Hongbin	—	255	10	5	—	270	—	270
Ms. Dai Hong	—	142	5	4	—	151	—	151
Sub-total	—	1,498	[REDACTED]	19	198	1,785	—	1,785
Non-Executive Directors								
Mr. Xin Jifu	—	—	—	—	—	—	—	—
Mr. Li Xin	—	—	—	—	—	—	—	—
Mr. Zhao Wu	—	—	—	—	—	—	—	—
Sub-total	—	—	—	—	—	—	—	—
Supervisors								
Ms. Xu Fangchun	—	—	—	—	—	—	—	—
Mr. Bi Ziyang	—	200	7	5	—	212	—	212
Mr. Zheng Zhong	—	—	—	—	—	—	—	—
Sub-total	—	200	7	5	—	212	—	212
Total	—	1,698	77	24	198	1,997	—	1,997

Notes:

- (i) These represent the estimated value of share awards granted to the directors and the supervisors under the Company’s [REDACTED]. The value of these share awards is measured according to the Group’s accounting policies for share-based payment transactions as set out in Note 2(q) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share-based payment, including the principal terms and number of options granted, are disclosed in Note 29.
- (ii) Mr. Xin Jifu resigned from his position as directors of the Company on September 17, 2025. Mr. Li Xin and Mr. Zhao Wu resigned from their respective positions as directors of the Company on December 18, 2025 due to a routine rotation of directors on the investor side. Mr. Li Xin and Mr. Zhao Wu did not have any disagreements with us during their tenure with our company. On the same date, the Company passed a resolution to dissolve the Board of supervisors, whereupon

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Ms. Xu Fangchun, Mr. Bi Ziying and Mr. Zheng Zhong, the former supervisors, ceased to hold their respective supervisory offices with immediate effect. Concurrently, the Company appointed Mr. Tao Zhigang, Ms. Liang Bishan and Mr. Han Bin as independent non-executive directors.

(iii) Mr. Tao Zhigang has voluntarily waived his director’s fees for the year ended December 31, 2025.

9 Individuals with highest emoluments

The number of directors, supervisors and other employees included in the five highest paid individuals during the Track Record Period are set forth below:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals (unaudited)</i>	<i>Number of individuals</i>
Directors and supervisors	4	3	2	3	3
Other employees	1	2	3	2	2
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

The emoluments of the directors and supervisors are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals, are as follows:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000 (unaudited)</i>	<i>RMB’000</i>
Salaries, allowances and benefits	503	1,325	1,574	525	412
Discretionary bonuses . .	947	1,324	2,232	590	615
Retirement scheme contributions	6	17	29	9	13
Share-based payment expenses	473	3,702	—	—	180
	<u>1,929</u>	<u>6,368</u>	<u>3,835</u>	<u>1,124</u>	<u>1,220</u>

The emoluments of the remaining highest paid non-director individuals are within the following bands:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals (unaudited)</i>	<i>Number of individuals</i>
Nil - HK\$1,000,000	—	—	—	2	2
HK\$1,000,001–HK\$1,500,000 .	—	—	3	—	—
HK\$2,000,001–HK\$2,500,000 .	1	—	—	—	—
HK\$3,000,001–HK\$3,500,000 .	—	1	—	—	—
HK\$3,500,001–HK\$4,000,000 .	—	1	—	—	—
	<u>1</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>

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10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares deemed to be in issue during the Track Record Period.

As described in Note 33(b), the Company was converted into a joint stock limited liability company and issued 9,078,434 shares with the par value of RMB1 each on November 14, 2025. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred since January 1, 2023, at the exchange ratio established in the conversion in November 2025.

The weighted average number of ordinary shares does not take into account the effect of the share subdivision plan that will become effective immediately prior to the [REDACTED] (Note 33(b)).

Profit attributable to ordinary equity shareholders of the Company

	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
Profit for the year/period attributable to all ordinary shareholders of the Company	21,212	20,374	46,846	21,005	24,235
Allocation of profit for the year/period attributable to the ordinary shares with redemption rights (Note 27)	(9,337)	(9,153)	(21,045)	(9,437)	(10,888)
Profit for the year/period attributable to ordinary equity shareholders of the Company	<u>11,875</u>	<u>11,221</u>	<u>25,801</u>	<u>11,568</u>	<u>13,347</u>

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Weighted average number of ordinary shares in issue or deemed to be in issue

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	'000	'000	'000	'000 (unaudited)	'000
Ordinary shares in issue or deemed to be issued at January 1 . . .	8,727	9,078	9,078	9,078	9,078
Effect of ordinary shares deemed to be in issue .	204	—	—	—	—
Effect of ordinary shares with redemption rights (Note 27)	(3,931)	(4,078)	(4,078)	(4,078)	(4,078)
Weighted average number of ordinary shares in issue or deemed to be in issue at December 31/June 30	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

(b) *Diluted earnings per share*

During the six months ended June 30, 2026, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB13,347,000 and the weighted average number of ordinary shares, calculated as follows:

Weighted average number of ordinary shares in issue (diluted)

	Six months ended June 30, 2026 '000
Weighted average number of ordinary shares in issue	5,000
Effect of equity awards granted (Note 29(b))	44
Weighted average number of ordinary shares in issue (diluted) at June 30	<u>5,044</u>

During the year ended December 31, 2023, 2024 and 2025 and the six months period ended June 30, 2025, ordinary shares with redemption rights (Note 27) and equity awards (Note 29(b)) were not included in the calculation of diluted earnings per share, as their inclusion would have been anti-dilutive. Accordingly, diluted earnings per share were the same as basic earnings per share for the respective years/periods.

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11 Property, plant and equipment

	Building	Vehicle	Equipment and other	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:				
At December 31, 2022 and at January 1, 2023.	49,646	8,445	6,703	64,794
Exchange adjustments.	1,782	267	164	2,213
Additions.	20	279	133	432
Disposals.	—	(270)	(83)	(353)
At December 31, 2023 and at January 1, 2024.	51,448	8,721	6,917	67,086
Exchange adjustments.	(1,071)	(161)	(134)	(1,366)
Additions.	171	1,999	11,881	14,051
Disposals.	(51)	(712)	(148)	(911)
At December 31, 2024 and at January 1, 2025.	50,497	9,847	18,516	78,860
Exchange adjustments.	(3,750)	(679)	(1,323)	(5,752)
Additions.	—	834	2,695	3,529
Disposals.	—	(492)	(701)	(1,193)
At December 31, 2025 and at January 1, 2026.	46,747	9,510	19,187	75,444
Exchange adjustments.	(4,061)	(747)	(1,227)	(6,035)
Additions.	—	6	298	304
Disposals.	—	(176)	(6,610)	(6,786)
At June 30, 2026.	42,686	8,593	11,648	62,927
Accumulated depreciation:				
At December 31, 2022 and at January 1, 2023.	4,395	2,372	1,925	8,692
Exchange adjustments.	140	54	26	220
Charge for the year.	2,525	1,100	1,526	5,151
Disposals.	—	(124)	(53)	(177)
At December 31, 2023 and at January 1, 2024.	7,060	3,402	3,424	13,886
Exchange adjustments.	(152)	(57)	(45)	(254)
Charge for the year.	2,200	983	3,205	6,388
Disposals.	—	(663)	(122)	(785)
At December 31, 2024 and at January 1, 2025.	9,108	3,665	6,462	19,235
Exchange adjustments.	(794)	(309)	(485)	(1,588)
Charge for the year.	2,664	1,434	3,722	7,820
Disposals.	—	(24)	(280)	(304)
At December 31, 2025 and at January 1, 2026.	10,978	4,766	9,419	25,163
Exchange adjustments.	(1,011)	(400)	(619)	(2,030)
Charge for the period.	978	588	1,894	3,460
Disposals.	—	(136)	(3,063)	(3,199)
At June 30, 2026.	10,945	4,818	7,631	23,394

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	Building	Vehicle	Equipment and other	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Net book value:				
At December 31, 2023	44,388	5,319	3,493	53,200
At December 31, 2024	41,389	6,182	12,054	59,625
At December 31, 2025	35,769	4,744	9,768	50,281
At June 30, 2026	31,741	3,775	4,017	39,533

12 Right-of-use assets

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cost:				
At January 1	21,595	20,501	55,628	53,235
Additions	2,298	44,117	4,111	9,016
Expiration of lease term	(4,260)	(8,622)	(2,352)	(31,558)
Exchange adjustments	868	(368)	(4,152)	(3,209)
At December 31/June 30	20,501	55,628	53,235	27,484
Accumulated depreciation:				
At January 1	7,896	9,861	11,856	23,245
Charge for the year/period	4,963	10,710	14,748	6,437
Expiration of lease term	(3,454)	(8,597)	(2,195)	(19,377)
Exchange adjustments	456	(118)	(1,164)	(1,295)
At December 31/June 30	9,861	11,856	23,245	9,010
Net book value:				
At December 31/June 30	10,640	43,772	29,990	18,474

In April 2026, the Group derecognised right-of-use assets and lease liabilities of RMB12,181,000 and RMB13,460,000, respectively, upon the early termination of a lease with the lessor, and recognized a gain of RMB1,279,000 in profit or loss, after consideration of refund of rental deposits.

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

	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
Depreciation charge of right-of-use assets . . .	4,963	10,710	14,748	7,398	6,437
Interest on lease liabilities	329	2,637	2,881	1,599	737
Expenses relating to short-term leases	5,849	6,014	6,989	3,814	3,378

The Group has obtained the right-of-use assets as its warehouses and offices through tenancy agreements. The leases run for an initial period of 1 to 5 year during the Track Record Period.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 22(d) and 28, respectively.

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13 Intangible assets

	Software
	<i>RMB’000</i>
Cost:	
At January 1, 2023	1,400
Additions	316
At December 31, 2023 and January 1, 2024	1,716
Additions	212
Disposals	(236)
At December 31, 2024 and January 1, 2025	1,692
Additions	310
At December 31, 2025 and January 1, 2026	2,002
Additions	23
Disposals	(51)
At June 30, 2026	1,974
Accumulated Amortization:	
At January 1, 2023	292
Charge for the year	253
At December 31, 2023 and January 1, 2024	545
Charge for the year	278
Disposals	(171)
At December 31, 2024 and January 1, 2025	652
Charge for the year	297
At December 31, 2025 and January 1, 2026	949
Charge for the period	109
Disposals	(38)
At June 30, 2026	1,020
Net book value:	
At December 31, 2023	1,171
At December 31, 2024	1,040
At December 31, 2025	1,053
At June 30, 2026	954

The amortization charge for the year is included in “research and development expenses”, “selling and distribution expenses” and “general and administrative expenses” in the consolidated statements of profit or loss and other comprehensive income.

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14 Interests in associates and investment in subsidiaries

(a) Interests in associates

The following list contains the particulars of the Group’s associates, all of which are unlisted entities:

Name of associates	Place of incorporation and business	Group’s effective interest				Held by the Company				Principal business activities
		December 31, 2023	December 31, 2024	December 31, 2025	June 30, 2026	December 31, 2023	December 31, 2024	December 31, 2025	June 30, 2026	
Jiangsu AOFEILUO Technology Co., Ltd (江蘇奧菲羅科技有限公司) (note i)	China	29.00%	—	—	—	29.00%	—	—	—	Consumer products
PT. Ofero Technology Indonesia (note ii)	Indonesia	29.00%	21.11%	—	—	—	—	—	—	Consumer products

Notes:

- (i) In December 2024, the Group disposed of a 19.34% equity interest in Jiangsu AOFEILUO Technology Co., Ltd (“**Jiangsu AOFEILUO**”), the remaining 9.66% equity interest in Jiangsu AOFEILUO was reclassified as other financial assets.
- (ii) During the year ended December 31, 2024, the Group’s equity interest in PT. Ofero Technology Indonesia (“**PT. Ofero**”) decreased from 29.00% to 21.11%, mainly due to passively dilution in equity interests. During the year ended December 31, 2025, the Group further disposed its equity interests in PT. Ofero, the remaining 3.50% equity interest was reclassified as other financial assets.

The carrying amount and the Group’s share of the results of individually immaterial associates are shown in aggregate as below:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements .	7,781	3,169	—	—
Aggregate amounts of the Group’s share of those associates’ net loss	(258)	(4,094)	(2,787)	—

(b) Investment in subsidiaries

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Investment in subsidiaries, at cost	54,606	138,976	138,207	140,811

15 Other non-current assets

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Prepaid income tax	21,256	3,630	14,886	30,203

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Prepaid income tax arises from payments made to tax authorities, including monthly installment of corporate income tax (Article 25 Income Tax) by the Group’s Indonesian subsidiaries and withheld taxes on import purchases (Article 22 Income Tax) which are creditable against income tax liabilities. Given uncertainties in the timing of the tax authorities’ assessment and refund procedures, the amount is not expected to be recovered within 12 months.

16 Inventories

The Group

	As at December 31,			As at 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)
	<u>93,799</u>	<u>148,277</u>	<u>183,210</u>	<u>203,446</u>

The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	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
Carrying amount of inventories sold	599,204	655,996	744,761	351,333	420,578
Write-down of inventories	4,092	4,831	4,206	1,503	2,220
	<u>603,296</u>	<u>660,827</u>	<u>748,967</u>	<u>352,836</u>	<u>422,798</u>

17 Trade receivables

The Group

	As at December 31,			As at 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 (<i>Note 34(a)</i>)	(2,468)	(2,781)	(2,873)	(2,452)
	<u>12,019</u>	<u>29,079</u>	<u>30,666</u>	<u>30,055</u>

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	174,890	144,683	192,471	215,279
— Amounts due from subsidiaries	173,979	143,804	191,612	214,446
— Amounts due from third parties	911	879	859	833
Less: loss allowance	(911)	(879)	(859)	(833)
	<u>173,979</u>	<u>143,804</u>	<u>191,612</u>	<u>214,446</u>

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Aging analysis

As at the end of each reporting period, the aging analysis of trade receivables of the Group, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
0–90 days	11,296	27,719	28,421	28,932
91–180 days	485	1,194	1,503	576
181–365 days	238	166	742	547
	<u>12,019</u>	<u>29,079</u>	<u>30,666</u>	<u>30,055</u>

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
0–90 days	36,059	44,975	23,210	35,332
91–180 days	77,922	26,695	37,119	17,524
181–365 days	7,953	54,527	50,228	61,512
Over 365 days	52,045	17,607	81,055	100,078
	<u>173,979</u>	<u>143,804</u>	<u>191,612</u>	<u>214,446</u>

All the trade receivables of the Group are expected to be recovered within one year. Further details on the Group’s credit policy and credit risk arising from trade receivables are set out in Note 34(a).

18 Prepayments and other receivables

The Group

	As at December 31,			As at 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
	<u>20,830</u>	<u>28,111</u>	<u>32,763</u>	<u>30,506</u>
Less: loss allowance	(595)	(643)	(32)	(97)
	<u>20,235</u>	<u>27,468</u>	<u>32,731</u>	<u>30,409</u>

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The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	2,204	836	3,559	3,133
[REDACTED] to be deducted from equity	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	2,770	47,148	43,679	38,877
— Amounts due from subsidiaries	—	43,025	42,850	37,826
— Deposits	595	628	475	483
— Due from a shareholder for capital injection	1,893	—	—	—
— Due from a third party for partial disposal in an associate	—	3,211	—	—
— Others	282	284	354	568
	4,974	47,984	49,892	47,489
Less: loss allowance	(258)	(162)	(11)	(16)
	4,716	47,822	49,881	47,473

The above prepayments and other receivables are expected to be settled within one year.

19 Other current assets

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Deductible input value-added tax	28,529	31,336	26,588	18,460
Others	9,961	10,576	12,484	11,516
	38,490	41,912	39,072	29,976

20 Other financial assets

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At fair value through profit or loss:				
Unlisted equity investments	—	1,261	3,127	3,602
Bank structured deposits	—	10,160	15,009	20,010
	—	11,421	18,136	23,612

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21 Restricted cash

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted cash	5,220	3,601	3,760	1,914

As at December 31, 2023, 2024 and 2025 and June 30, 2026, restricted cash was held at bank as margin deposits for foreign exchange forward contracts.

22 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	205,181	263,067	278,207	246,183
Cash on hand	24	54	58	45
Less: restricted cash	(5,220)	(3,601)	(3,760)	(1,914)
	199,985	259,520	274,505	244,314

As at December 31, 2023, 2024 and 2025 and June 30, 2026, cash at bank and on hand amounting to RMB109,146,000, RMB63,989,000, RMB33,929,000, and RMB103,374,000, respectively, are placed at financial institutions in the Chinese Mainland. Remittance of funds out of the Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	98,191	35,219	14,864	23,833
Less: restricted cash	(3,124)	(3,150)	(3,343)	(1,533)
	95,067	32,069	11,521	22,300

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

	Note	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
Profit before taxation		30,670	28,832	60,497	27,343	31,184
Depreciation of property, plant and equipment	6(c)	5,151	6,388	7,820	3,953	3,460
Depreciation of right-of-use assets	6(c)	4,963	10,710	14,748	7,398	6,437
Amortization of intangible assets	6(c)	253	278	297	143	109
(Gains)/losses on disposal of property, plant and equipment, right-of-use assets	5	(11)	(62)	18	27	(1,279)
Share of losses of associates	14(a)	258	4,094	2,787	2,497	—
Write-down of inventories	16	4,092	4,831	4,206	1,503	2,220
Impairment loss recognized /(reversed) on trade and other receivables	34(a)	950	1,401	(332)	(279)	(138)
Share-based payment expenses	6(b)	8,968	35,970	—	—	3,748
Changes in the carrying amount of redemption liabilities	27	19,511	22,720	25,246	12,183	12,365
Losses on disposal of a subsidiary	5	1,398	—	—	—	—
Gains on fair value changes on financial instruments at FVPL	5	(184)	(545)	(314)	(165)	(603)
Interest expenses	6(a)	1,435	4,061	5,086	2,705	1,075
Gains on disposal of an associate	5	—	(871)	(16,635)	—	—
Net exchange (gains)/ losses	5	(6,076)	2,019	18,194	4,161	17,923
		71,378	119,826	121,618	61,469	76,501
Changes in working capital:						
Increase in inventories		(4,885)	(54,478)	(39,139)	(17,628)	(22,456)
(Increase)/decrease in trade receivables		(5,250)	(17,060)	(1,679)	(1,324)	1,032
(Increase)/decrease in prepayments, other receivables		(1,205)	(17,629)	(9,209)	13,265	(2,058)
(Increase)/decrease in restricted bank deposits		(2,183)	1,619	(159)	(35)	1,846
(Decrease)/increase in trade payables		(5,528)	44,414	13,107	(7,785)	(15,732)
(Decrease)/increase in other payables		(201)	3,518	(460)	(7,891)	(7,306)
(Decrease)/increase in contract liabilities		(1,136)	1,647	1,512	1,111	(1,680)
Increase/(decrease) in defined benefit obligations		874	969	802	278	(14)
Increase in provision		352	597	318	76	9
Cash generated from operations		52,216	83,423	86,711	41,536	30,142

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(c) Reconciliation of liabilities arising from financing activities

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

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 26)	RMB'000 (Note 28)	RMB'000 (Note 27)	RMB'000
At January 1, 2023	11,496	4,234	322,907	338,637
Changes from financing cash flows:				
Capital element of lease rentals paid . . .	—	(4,283)	—	(4,283)
Interest element of lease rentals paid . . .	—	(329)	—	(329)
Proceeds from capital injection	—	—	52,957	52,957
Proceeds from new bank loans	20,000	—	—	20,000
Repayment of bank loans	(11,800)	—	—	(11,800)
Interests paid	(1,117)	—	—	(1,117)
Total changes from financing cash flows	7,083	(4,612)	52,957	55,428
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	2,298	—	2,298
Due from a shareholder for capital injection	—	—	1,893	1,893
Changes in the carrying amount of redemption liabilities	—	—	19,511	19,511
Interest expenses (Note 6(a))	809	329	—	1,138
Exchange adjustments	—	(290)	—	(290)
Total other changes	809	2,337	21,404	24,550
At December 31, 2023	19,388	1,959	397,268	418,615

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	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i> <i>(Note 28)</i>	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i>
At January 1, 2024	19,388	1,959	397,268	418,615
Changes from financing cash flows:				
Capital element of lease rentals paid . . .	—	(12,436)	—	(12,436)
Interest element of lease rentals paid . . .	—	(2,637)	—	(2,637)
Proceeds from capital injection	—	—	1,893	1,893
Proceeds from new bank loans	34,413	—	—	34,413
Repayment of bank loans	(24,300)	—	—	(24,300)
Interests paid	(1,125)	—	—	(1,125)
Total changes from financing cash flows	8,988	(15,073)	1,893	(4,192)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	44,117	—	44,117
Due from a shareholder for capital injection settled.	—	—	(1,893)	(1,893)
Changes in the carrying amount of redemption liabilities.	—	—	22,720	22,720
Interest expenses (<i>Note 6(a)</i>).	1,141	2,637	—	3,778
Exchange adjustments.	—	(92)	—	(92)
Total other changes	1,141	46,662	20,827	68,630
At December 31, 2024	29,517	33,548	419,988	483,053

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i> <i>(Note 28)</i>	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i>
At January 1, 2025	29,517	33,548	419,988	483,053
Changes from financing cash flows:				
Capital element of lease rentals paid . . .	—	(15,093)	—	(15,093)
Interest element of lease rentals paid . . .	—	(2,881)	—	(2,881)
Proceeds from new bank loans	42,032	—	—	42,032
Repayment of bank loans	(59,139)	—	—	(59,139)
Interests paid	(1,737)	—	—	(1,737)
Total changes from financing cash flows	(18,844)	(17,974)	—	(36,818)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	4,111	—	4,111
Changes in the carrying amount of redemption liabilities.	—	—	25,246	25,246
Interest expenses (<i>Note 6(a)</i>).	1,852	2,881	—	4,733
Exchange adjustments.	—	(2,299)	—	(2,299)
Total other changes	1,852	4,693	25,246	31,791
At December 31, 2025	12,525	20,267	445,234	478,026

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	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i> <i>(Note 28)</i>	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i>
At January 1, 2026	12,525	20,267	445,234	478,026
Changes from financing cash flows:				
Capital element of lease rentals paid . . .	—	(8,432)	—	(8,432)
Interest element of lease rentals paid . . .	—	(737)	—	(737)
Proceeds from new bank loans	20,032	—	—	20,032
Repayment of bank loans	(22,184)	—	—	(22,184)
Interests paid	(172)	—	—	(172)
Total changes from financing cash flows	(2,324)	(9,169)	—	(11,493)
Other changes:				
Increase in lease liabilities from entering into new leases during the period	—	9,016	—	9,016
Changes in the carrying amount of redemption liabilities	—	—	12,365	12,365
Interest expenses <i>(Note 6(a))</i>	132	737	—	869
Expiration of lease term	—	(13,460)	—	(13,460)
Exchange adjustments	—	(316)	—	(316)
Total other changes	132	(4,023)	12,365	8,474
At June 30, 2026	10,333	7,075	457,599	475,007

	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i> <i>(Note 28)</i>	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i>
(Unaudited)				
At January 1, 2025	29,517	33,548	419,988	483,053
Changes from financing cash flows:				
Capital element of lease rentals paid . . .	—	(6,322)	—	(6,322)
Interest element of lease rentals paid . . .	—	(1,599)	—	(1,599)
Proceeds from new bank loans	40,032	—	—	40,032
Repayment of bank loans	(15,982)	—	—	(15,982)
Interests paid	(799)	—	—	(799)
Total changes from financing cash flows	23,251	(7,921)	—	15,330
Other changes:				
Increase in lease liabilities from entering into new leases during the period	—	3,248	—	3,248
Changes in the carrying amount of redemption liabilities	—	—	12,183	12,183
Interest expenses <i>(Note 6(a))</i>	924	1,599	—	2,523
Exchange adjustments	—	(836)	—	(836)
Total other changes	924	4,011	12,183	17,118
At June 30, 2025	53,692	29,638	432,171	515,501

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(d) Total cash outflow for leases

Amounts included in the statements of cash flows for leases represent lease rental paid and comprise the following:

	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
Within operating cash flows	5,849	6,014	6,989	3,814	3,378
Within financing cash flows	4,612	15,073	17,974	7,921	9,169
	<u>10,461</u>	<u>21,087</u>	<u>24,963</u>	<u>11,735</u>	<u>12,547</u>

23 Trade payables

The Group

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	<u>91,675</u>	<u>136,090</u>	<u>149,197</u>	<u>133,465</u>

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	<u>3,267</u>	<u>249</u>	<u>293</u>	<u>251</u>

As at the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at December 31,			As at 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 Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	3,267	249	293	—
Over 1 year	—	—	—	251
	<u>3,267</u>	<u>249</u>	<u>293</u>	<u>251</u>

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24 Other payables

The Group

	As at December 31,			As at 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	1,765	1,945	2,383	2,083
Deposits	475	1,918	626	1,013
Others	2,685	4,873	4,801	3,935
	<u>30,913</u>	<u>34,431</u>	<u>34,578</u>	<u>28,517</u>

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	8,219	7,104	7,133	4,736
Other tax payables	304	318	333	205
Payables for services	771	1,405	2,676	3,482
Government grants	1,765	1,945	2,383	2,083
Deposits	112	346	54	74
Others	958	703	845	1,439
	<u>12,129</u>	<u>11,821</u>	<u>13,424</u>	<u>12,019</u>

25 Contract liabilities

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liabilities	<u>7,641</u>	<u>9,286</u>	<u>10,798</u>	<u>9,118</u>

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at the beginning of the year/period	8,774	7,641	9,286	10,798
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(8,774)	(7,641)	(9,286)	(10,798)
Increase in contract liabilities as a result of receipts in advance	<u>7,641</u>	<u>9,286</u>	<u>10,798</u>	<u>9,118</u>
Balance at the end of the year/period	<u>7,641</u>	<u>9,286</u>	<u>10,798</u>	<u>9,118</u>

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All of the contract liabilities were/are expected to be recognized as revenue within one year after each year end of the Track Record Period.

26 Bank loans

The Group

	As at December 31,			As at 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
	<u>19,388</u>	<u>29,517</u>	<u>12,525</u>	<u>10,333</u>

The analysis of the repayment schedule of bank loans is as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	19,384	29,100	12,403	10,323
After 1 year but within 2 years	4	286	122	10
After 2 years but within 3 years	—	131	—	—
	<u>19,388</u>	<u>29,517</u>	<u>12,525</u>	<u>10,333</u>

As at December 31, 2023, 2024 and 2025 and June 30, 2026, bank loans are mainly obtained through guarantees provided by Mr.Xu Longhua and Ms.Wu Xianxian, as well as by pledging the Company’s intangible assets. Such guarantee shall be released upon the [REDACTED].

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the interest rate of the Group’s bank loans ranged from 2.250%–6.000%, 2.750%–6.000%, 2.750%-3.750% and 2.500%–3.750% per annum, respectively.

The Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans				
Secured	19,127	—	2,002	—

The analysis of the repayment schedule of bank loans is as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	19,127	—	2,002	—

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27 Redemption liabilities

The Group and the Company

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current portion	341,838	362,315	445,234	457,599
Non-current portion	55,430	57,673	—	—
	<u>397,268</u>	<u>419,988</u>	<u>445,234</u>	<u>457,599</u>

The movements of the redemption liabilities during the Track Record Period are set out as below:

	Redemption liabilities
	<i>RMB'000</i>
The Group and the Company	
At January 1, 2023	322,907
Additions	54,850
Changes in the carrying amount of redemption liabilities	19,511
At December 31, 2023 and January 1, 2024	397,268
Changes in the carrying amount of redemption liabilities	22,720
At December 31, 2024 and January 1, 2025	419,988
Changes in the carrying amount of redemption liabilities	25,246
At December 31, 2025	445,234
Changes in the carrying amount of redemption liabilities	12,365
At June 30, 2026	<u>457,599</u>

From 2017 onwards and during the Track Record Period, the Group has conducted several rounds of financing from various [REDACTED] to support the development of the Group’s business. The Company and these [REDACTED] have entered into investment agreements pursuant to which these [REDACTED] were to acquire both existing equity interests from existing equity shareholders and additional equity interests by injections of new capital. At the same time, the Company and these [REDACTED] have also entered into equity holders’ agreements pursuant to which the Company has granted rights for these [REDACTED] to require the Company to redeem the invested amounts upon the occurrence of certain triggering events, including the failure to complete an [REDACTED] of the Company’s shares in a specified time frame (i.e. the redemption rights).

In accordance with the accounting policies adopted by the Group (see Note 2(w)), the Group recognized these financial liabilities as “redemption liabilities” in the statements of financial position, where changes in the carrying amounts of these financial instruments were charged to profit or loss during the Track Record Period. The Group has assessed the highest possible outcome arising from the redemption rights would be the original subscription price plus accrued interests at 12% per annum or 200% of the subscription price. The redemption rights will be terminated upon the successful [REDACTED] of the Company’s H shares on the Stock Exchange.

In addition to the financial liabilities recognized, the Group has credited the Company’s paid-in capital account with the nominal value of the additional equity interests acquired by the [REDACTED], and debited the capital reserve account with the same amount plus the investment amounts related to the existing equity interests acquired by the [REDACTED]. The amounts accumulated in capital reserve will be transferred to the Company’s share premium account upon the successful [REDACTED] of the Company’s H shares on the Stock Exchange.

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28 Lease liabilities

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,349	14,657	14,064	5,380
After 1 year but within 2 years	464	14,520	6,160	1,654
After 2 years but within 5 years	146	4,371	43	41
Total amount after 1 year	610	18,891	6,203	1,695
	1,959	33,548	20,267	7,075

29 Equity-settled share-based payment

(a) Restricted shares

The Group operates share incentive schemes (the “Scheme”) for the purpose of rewarding participants for their service and to providing incentives to them to further contribute to the Group. Eligible participants of the Scheme include the Company’s directors and other employees of the Group who contribute directly to the overall business performance and sustainable development of the Group.

Movements in the numbers of restricted shares are as follows:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares	Weighted average exercise price	Number of restricted shares
	RMB		RMB		RMB		RMB (unaudited)	(unaudited)	RMB	
Outstanding at the beginning of the year/period	13.25	456,200	14.15	437,200	—	—	—	—	—	—
Granted during the year/period	29.66	47,860	39.22	199,500	—	—	—	—	—	—
Vested during the year/period	—	—	23.59	(558,985)	—	—	—	—	—	—
Forfeited during the year/period	19.15	(66,860)	10.60	(77,715)	—	—	—	—	—	—
Outstanding at the end of the year/period	14.15	437,200	—	—	—	—	—	—	—	—

Fair value of Restricted shares and assumptions:

The fair value of the restricted shares granted is estimated with reference to the fair value of the ordinary shares, which is determined using an equity allocation model. Key inputs used in determining the fair value of restricted shares granted are as follows:

	Year ended December 31,	
	2023	2024
Fair value of each ordinary share at measurement date	RMB131.16	RMB142.70
Exercise price.	RMB6–33.47	RMB39.22

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The variables and assumptions used in computing the fair value of the restricted shares are based on the Group’s best estimate. The fair values of restricted shares will vary if different variables and assumptions are adopted.

(b) *Share options*

At December 31, 2025, the Group granted share options to directors and employees of the Group and individuals who contribute directly to the overall business performance and sustainable development of the Group. The share options are issued under service condition. The exercise period of the options is 10 years from the date of grant. The options were divided into three tranches as at their grant dates and the first tranche can be vested one year from the grant date, and the remaining tranches will become vest in each subsequent year. Each option gives the holder the right to subscribe for one ordinary share in the Company. The share options outstanding as at December 31, 2025 and June 30, 2026 had a weighted average remaining contractual life of 10 years, and 9.5 years, respectively.

The number and weighted average exercise prices of share options are as follows:

	Year ended December 31,		Six months ended June 30,	
	2025		2026	
	Weighted average exercise price RMB	Number of options	Weighted average exercise price RMB	Number of options
Outstanding at the beginning of the year/period	—	—	43.12	116,502
Granted during the year/period	43.12	116,502	—	—
Forfeited during the year/period	—	—	48.61	(4,535)
Outstanding at the end of the year/period	43.12	116,502	42.90	111,967

No share options were exercised during the Track Record Period.

Fair value of share options and assumptions:

The estimate of the fair value of the share options granted is measured based on binomial model. Key assumptions used in determining the fair value of share options granted are as follows:

	Year ended December 31,
	2025
Fair value of each unit at measurement date	RMB100.23–137.86
Exercise price	RMB6.00, RMB48.61
Expected volatility	44.29%
Expected dividends	0.00%
Risk-free interest rate	1.84%

Expected volatility is estimated based on the historic volatility of comparable listed companies, adjusted for any expected changes to future volatility due to publicly available information.

Expected dividends are estimated based on historical dividends.

Risk-free interest rates are based on the benchmark interest rates for deposits placed at financial institutions set by the People’s Bank of the PRC.

The binomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the Group’s best estimate. The fair values of share options will vary if different variables and assumptions are adopted.

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30 Income tax in the consolidated statements of financial position

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

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1	5,020	6,614	4,869	7,912
Provision for the year/period	14,382	10,060	13,734	8,448
Change in prepaid income tax	(5,624)	(17,222)	12,254	15,175
Income tax (paid)/refund	(7,164)	5,417	(22,945)	(29,494)
At December 31/June 30	<u>6,614</u>	<u>4,869</u>	<u>7,912</u>	<u>2,041</u>

(b) Deferred tax assets and liabilities recognized

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Share-based payment	Unrealized gains on inventories	Provision for inventories	Right-of-use assets	Lease liabilities	Unused tax losses	Defined benefit obligations	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	2,602	4,810	1,100	(569)	123	147	906	779	9,898
Credited/(charged) to profit or loss	1,345	(697)	171	452	41	754	16	(51)	2,031
Exchange adjustments	—	—	43	(13)	5	8	33	29	105
At December 31, 2023 and January 1, 2024	3,947	4,113	1,314	(130)	169	909	955	757	12,034
(Charged)/credited to profit or loss	(3,947)	3,106	40	(5,708)	6,234	1,514	236	106	1,581
Exchange adjustments	—	—	(27)	61	(68)	(20)	(22)	(17)	(93)
At December 31, 2024 and January 1, 2025	—	7,219	1,327	(5,777)	6,335	2,403	1,169	846	13,522
Credited/(charged) to profit or loss	—	318	(380)	245	(1,544)	2,063	326	161	1,189
Exchange adjustments	—	—	(67)	408	(401)	(49)	(96)	(68)	(273)
At December 31, 2025 and January 1, 2026	—	7,537	880	(5,124)	4,390	4,417	1,399	939	14,438
Credited/(charged) to profit or loss	—	3,072	434	2,209	(2,820)	(1,064)	(59)	287	2,059
Exchange adjustments	—	—	(92)	337	(250)	(326)	(115)	(91)	(537)
At June 30, 2026	—	10,609	1,222	(2,578)	1,320	3,027	1,225	1,135	15,960

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Reconciliations to the consolidated statements of financial position:

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets in the consolidated statements of financial position	12,034	13,522	14,440	15,966
Net deferred tax liabilities in the consolidated statements of financial position	—	—	(2)	(6)
	<u>12,034</u>	<u>13,522</u>	<u>14,438</u>	<u>15,960</u>

(c) *Deferred tax assets not recognized*

In accordance with the accounting policy set out in Note 2(r), the Group has not recognized deferred tax assets in respect of cumulative tax losses and deductible temporary difference amounting to RMB5,879,000, RMB6,468,000 RMB4,800,000 and RMB4,292,000 as at December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses expire in 5 years from the respective year of loss.

31 Provision

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Provisions for warranties (<i>note i</i>).	3,574	4,075	4,291	4,300
Refund liabilities arising from right of return (<i>note ii</i>)	225	322	424	424
	<u>3,799</u>	<u>4,397</u>	<u>4,715</u>	<u>4,724</u>

Notes:

- (i) Under the terms of the Group’s sales agreements, the Group will rectify any product defects arising within the warranty period, which primarily ranges from one to three years from the date of customer acceptance. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of products sold which are still within the warranty period. The amount of provision considers the Group’s recent claim experience and is only made where a warranty claim is probable.
- (ii) A refund liability relating to sales with a right of return in practice was recognized based on historical sales return data associated with similar products. A right of return asset was recognized accordingly for a right to recover products on settling the refund liability.

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32 Defined benefit obligations

The Group’s companies located in Indonesia provide post-employment benefits to their employees in conformity with the requirements of Indonesia’s labor regulations. The estimated liabilities for employees benefits as at December 31, 2023, 2024 and 2025 and June 30, 2026 are based on the actuarial calculation.

	As at December 31,			As at June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Portion classified as current portion . . .	316	398	300	328
Non-current portion	4,027	4,914	6,061	5,239
Total defined benefit obligations	4,343	5,312	6,361	5,567

(a) Movements in the present value of the defined benefit obligation

	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
At January 1	4,117	4,343	5,312	5,312	6,361
Benefits paid by the Group	(948)	(333)	(967)	(432)	(389)
Current service cost	1,074	1,493	2,028	910	921
Interest cost	297	283	353	182	206
Changes in other comprehensive income	(197)	(474)	(365)	(306)	(1,532)
At December 31/ June 30	4,343	5,312	6,361	5,666	5,567

The average duration of the defined benefit obligation is 31.15 years, 31.30 years, 31.50 and 31.48 years as at December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

(b) Amounts recognized in the consolidated statements of profit or loss are as follows:

The current service cost and the net interest on net defined benefit liability are recognized in the following line items in the consolidated statements of profit or loss:

	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
General and administrative expenses	1,074	1,493	2,028	910	921
Finance costs	297	283	353	182	206
	1,371	1,776	2,381	1,092	1,127

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(c) *Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:*

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Discount rate.	6.90%	7.15%	6.80%	7.15%	7.30%
Mortality table(i).	TMI IV	TMI IV	TMI IV	TMI IV	TMI IV
Annual salary increase rate	5.50%	5.50%	5.50%	5.50%	5.50%

(i) TMI IV stands for forth updated Table Mortality Indonesia which assesses the probability of employee death during employment or after retirement.

The below analysis shows how the defined benefit obligation would have increased (decreased) as a result of 1% change in the significant actuarial assumptions:

	Increase in 1%				Decrease in 1%			
	As at December 31,			As at June 30,	As at December 31,			As at June 30,
	2023	2024	2025	2026	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Discount rate.	(445)	(572)	(453)	(339)	587	673	1,129	1,029
Annual salary increase rate.	610	702	1,156	1,020	(471)	(605)	(487)	(343)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

33 Capital and reserves

(a) *Movements in components of equity*

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s individual components of equity during the Track Record Period are set out below:

The Company

	Paid-in capital/ Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023.	8,727	(27,183)	17,343	(83,680)	(84,793)
Changes in equity for 2023:					
Loss for the year	—	—	—	(11,019)	(11,019)
Total comprehensive income	—	—	—	(11,019)	(11,019)
Issuance of ordinary shares with redemption rights	351	54,499	—	—	54,850
Recognition of redemption liabilities (Note 27)	—	(54,850)	—	—	(54,850)
Equity-settled share-based payment expenses	—	—	8,968	—	8,968
At December 31, 2023 and January 1, 2024.	9,078	(27,534)	26,311	(94,699)	(86,844)

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	Paid-in capital/ Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Changes in equity for 2024:					
Loss for the year	—	—	—	(759)	(759)
Total comprehensive income	—	—	—	(759)	(759)
Equity-settled share-based payment expenses . .	—	—	35,970	—	35,970
Shares vested under [REDACTED].	—	62,281	(62,281)	—	—
At December 31, 2024 and January 1, 2025 . .	9,078	34,747	—	(95,458)	(51,633)
Changes in equity for 2025:					
Profit for the year	—	—	—	495	495
Total comprehensive income	—	—	—	495	495
Conversion into a joint stock limited liability company (Note 33(b))	—	41,267	—	(41,267)	—
At December 31, 2025 and January 1, 2026	9,078	76,014	—	(136,230)	(51,138)
Changes in equity for the six months ended 30 June 2026:					
Profit for the period	—	—	—	6,748	6,748
Total comprehensive income	—	—	—	6,748	6,748
Equity-settled share-based payment expenses . .	—	—	3,748	—	3,748
Balance at June 30, 2026	9,078	76,014	3,748	(129,482)	(40,642)
	Paid-in capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)					
At January 1, 2025	9,078	34,747	—	(95,458)	(51,633)
Changes in equity for the six months ended 30 June 2025:					
Profit for the period	—	—	—	10,028	10,028
Total comprehensive income	—	—	—	10,028	10,028
Balance at June 30, 2025	9,078	34,747	—	(85,430)	(41,605)

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(b) *Paid-in capital/share capital*

(i) *Paid-in capital*

For the purpose of the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	Paid-in capital
	<i>RMB’000</i>
At January 1, 2023	8,727
Issuance of financial instruments to [REDACTED]	351
At December 31, 2023 and 2024	9,078
Conversion into a joint stock limited liability company.	(9,078)
At December 31, 2025	—

On November 14, 2025, the Company was converted into a joint stock limited liability company and issued 9,078,434 shares with a par value of RMB1 each.

(ii) *Share capital*

	Number of shares	Share capital
	<i>’000</i>	<i>RMB ’000</i>
At January 1, 2025	—	—
Conversion into a joint stock limited liability company.	9,078	9,078
At December 31, 2025 and June 30, 2026	9,078	9,078

Immediately prior to the [REDACTED], the ordinary shares of the Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB9,078,434 comprising 90,784,340 shares in issue of nominal value of RMB0.10 each.

(c) *Nature and purpose of reserves*

(i) *Capital reserve*

The capital reserve principally comprises the following:

- the [REDACTED] received in excess of the total amount of the par value of the Company’s shares;
- the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company;
- the difference arising from equity transactions with non-controlling interests.

(ii) *Exchange reserve*

The exchange reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB.

(iii) *Defined benefit obligations remeasurement reserve*

Defined benefit obligation remeasurement reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

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(iv) *Share-based payments reserve*

The share-based payments reserve comprises the Company’s equity-settled share-based payment (see Note 29).

(d) *Dividends*

No dividends have been declared or paid by the Company during the Track Record Period.

34 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity [REDACTED].

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables and other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents is limited because the Group only conducting transacts with state-owned or reputable financial institutions, which have no recent history of default.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At December 31, 2023, 2024 and 2025 and June 30, 2026, 17.46%, 43.39%, 30.07% and 22.68% of the total trade receivables was due from the Group’s five largest debtors respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer bases, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables:

As at December 31, 2023			
	Gross carrying Amount	ECL rate	Loss allowance
	RMB’000	%	RMB’000
0–90 days	11,442	1.28%	146
91–180 days	622	22.03%	137
181–365 days	588	59.52%	350
Over 365 days	1,835	100.00%	1,835
	<u>14,487</u>		<u>2,468</u>

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As at December 31, 2024

	Gross carrying Amount	ECL rate	Loss allowance
	<i>RMB'000</i>	%	<i>RMB'000</i>
0–90 days	28,240	1.84%	521
91–180 days	1,366	12.59%	172
181–365 days	264	37.12%	98
Over 365 days	1,990	100.00%	1,990
	<u>31,860</u>		<u>2,781</u>

As at December 31, 2025

	Gross carrying Amount	ECL rate	Loss allowance
	<i>RMB'000</i>	%	<i>RMB'000</i>
0–90 days	28,673	0.88%	252
91–180 days	1,586	5.23%	83
181–365 days	1,079	31.23%	337
Over 365 days	2,201	100.00%	2,201
	<u>33,539</u>		<u>2,873</u>

As at June 30, 2026

	Gross carrying Amount	ECL rate	Loss allowance
	<i>RMB'000</i>	%	<i>RMB'000</i>
0–90 days	29,069	0.47%	137
91–180 days	642	10.28%	66
181–365 days	793	31.02%	246
Over 365 days	2,003	100.00%	2,003
	<u>32,507</u>		<u>2,452</u>

Movement in the loss allowance account in respect of trade receivables during the year/period is as follows:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at January 1	1,624	2,468	2,781	2,873
Impairment losses recognized during the year	771	1,827	362	327
Impairment losses reversed during the year	—	(468)	(82)	(525)
Written-off	(29)	(1,079)	(117)	(28)
Exchange adjustments	102	33	(71)	(195)
Balance at December 31/June 30	<u>2,468</u>	<u>2,781</u>	<u>2,873</u>	<u>2,452</u>

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Other receivables

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk.

Movement in the loss allowance account in respect of other receivables of the Group during the Track Record Period is as follows:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1	384	595	643	32
Impairment losses recognized during the year/period	179	42	—	60
Impairment losses reversed during the year/period	—	—	(612)	—
Exchange adjustments	32	6	1	5
Balance at December 31/June 30	595	643	32	97

(b) Liquidity risk

The Group’s policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group’s non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

As at December 31, 2023						
	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (Note 26)	20,908	5	—	—	20,913	19,388
Trade payables (Note 23)	91,675	—	—	—	91,675	91,675
Other payables (Note 24)	26,767	—	—	—	26,767	26,767
Lease liabilities (Note 28)	1,356	489	170	—	2,015	1,959
	140,706	494	170	—	141,370	139,789

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As at December 31, 2024

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (Note 26)	31,058	295	139	—	31,492	29,517
Trade payables (Note 23)	136,090	—	—	—	136,090	136,090
Other payables (Note 24)	31,127	—	—	—	31,127	31,127
Lease liabilities (Note 28)	15,447	15,714	6,705	—	37,866	33,548
	<u>213,722</u>	<u>16,009</u>	<u>6,844</u>	<u>—</u>	<u>236,575</u>	<u>230,282</u>

As at December 31, 2025

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (Note 26)	12,446	124	—	—	12,570	12,525
Trade payables (Note 23)	149,197	—	—	—	149,197	149,197
Other payables (Note 24)	31,926	—	—	—	31,926	31,926
Lease liabilities (Note 28)	15,388	6,301	46	—	21,735	20,267
	<u>208,957</u>	<u>6,425</u>	<u>46</u>	<u>—</u>	<u>215,428</u>	<u>213,915</u>

As at June 30, 2026

	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (Note 26)	10,358	10	—	—	10,368	10,333
Trade payables (Note 23)	133,465	—	—	—	133,465	133,465
Other payables (Note 24)	27,277	—	—	—	27,277	27,277
Lease liabilities (Note 28)	5,678	1,689	42	—	7,409	7,075
	<u>176,778</u>	<u>1,699</u>	<u>42</u>	<u>—</u>	<u>178,519</u>	<u>178,150</u>

In addition to the above, the Group was also exposed to liquidity risk arising from redemption liabilities at December 31, 2023, 2024 and 2025 and June 30, 2026, the payment terms of which are further disclosed in Note 27.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest-bearing financial instruments with fixed and floating interest rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group’s interest rate risk arises primarily from bank loans. The bank loans were all fixed-rate borrowings.

(d) Currency risk

The Group is 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.

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To mitigate this risk, the Group manages its 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.

(i) *Exposure to currency risk*

The following table details the Group’s exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The Group has subsidiaries mainly using IDR and RMB as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year-end date. Differences resulting from the translation of the financial statements of foreign operations into the Group’s presentation currency are excluded. The currencies giving rise to this risk are primarily USD and RMB.

Exposure to foreign currencies as at December 31, 2023						
	Trade receivables	Prepayments and other receivables	Trade payables	Other payables	Cash and cash equivalents	Gross exposure arising from recognized assets and liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD	112,950	467	(51,516)	(1,911)	2,994	62,984
RMB	8,584	414	(137,126)	—	2,105	(126,023)
Exposure to foreign currencies as at December 31, 2024						
	Trade receivables	Prepayments and other receivables	Trade payables	Other payables	Cash and cash equivalents	Gross exposure arising from recognized assets and liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD	37,275	342	(69,923)	(1,984)	9,440	(24,850)
RMB	—	41	(292,862)	—	761	(292,060)
Exposure to foreign currencies as at December 31, 2025						
	Trade receivables	Prepayments and other receivables	Trade payables	Other payables	Cash and cash equivalents	Gross exposure arising from recognized assets and liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD	1,619	913	(45,738)	(1,913)	20,526	(24,593)
RMB	—	12	(418,084)	—	2,805	(415,267)
Exposure to foreign currencies as at June 30, 2026						
	Trade receivables	Prepayments and other receivables	Trade payables	Other payables	Cash and cash equivalents	Gross exposure arising from recognized assets and liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
USD	22,360	26,267	(23,510)	(3,707)	43,428	64,838
RMB	—	16	(226,710)	—	1,106	(225,588)
HKD	—	—	—	—	26	26

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(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group’s profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period had changed at that date, assuming all other risk variables remained constant.

	As at December 31,						As at June 30,	
	2023		2024		2025		2026	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and accumulated losses
	RMB'000		RMB'000		RMB'000		RMB'000	
USD	10%	5,635	10%	(1,822)	10%	(1,931)	10%	5,228
	-10%	(5,635)	-10%	1,822	-10%	1,931	-10%	(5,228)
RMB	10%	(9,773)	10%	(22,921)	10%	(33,178)	10%	(17,599)
	-10%	9,773	-10%	22,921	-10%	33,178	-10%	17,599
HKD	10%	—	10%	—	10%	—	10%	2
	-10%	—	-10%	—	-10%	—	-10%	(2)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities’ profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group’s presentation currency.

(e) Fair value measurement

(i) Assets and liabilities measured at fair value

Fair value hierarchy

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

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

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The following table presents the Group’s financial assets and financial liabilities that are measured at fair value at the end of each reporting date:

		Fair value at December 31,			Fair value at June 30,
	Fair value hierarchy	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements					
Financial assets					
measured at fair value					
through profit or loss					
— Bank structured					
deposits	Level 2	—	10,160	15,009	20,010
— Unlisted equity					
investments	Level 3	—	1,261	3,127	3,602
		—	11,421	18,136	23,612

During the Track Record Period, there were no transfers between Level 1 or Level 2, or transfers into or out of Level 3. The Group’s policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Structured deposits purchased by the Group are issued by major and reputable commercial banks without guaranteed returns. The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group’s risk management and investment strategy. The fair values are based on cash flow discounted using the expected return based on observable market inputs and are within level 2 of the fair value hierarchy.

The fair value of unlisted equity investments in Level 3 is sensitive to changes in lack of marketability discount. If the key unobservable inputs used in the valuation models were to increase or decrease by 5%, with all other variables held constant, the fair value of the related financial instruments would have decreased or increased by approximately RMB63,000, RMB121,000 and RMB144,000 for the year ended December 31, 2024 and 2025 and the six months ended June 30, 2026.

35 Material related party transactions

(i) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	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
Short-term employee					
benefits	5,995	5,642	7,295	3,380	2,989
Retirement scheme					
contributions	43	59	80	38	72
Share-based payment					
expenses	4,439	8,964	—	—	541
	10,477	14,665	7,375	3,418	3,602

Total remuneration is included in “staff costs” (see Note 6(b)).

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(ii) *Guarantee*

As at December 31, 2023, 2024 and 2025 and June 30, 2026, Mr. Xu Longhua, the director of the Group, and his spouse Ms. Wu Xianxian provided guarantees for the Group’s borrowings in the amounts of RMB19,127,000, RMB28,825,000, RMB12,141,000 and RMB10,100,000 respectively. Such guarantee shall be released prior to the [REDACTED].

36 Immediate and ultimate controlling party

As at December 31, 2023, 2024 and 2025 and June 30, 2026, the directors consider the immediate controlling parties of the Group to be Mr. Xu Longhua and Shenzhen Qianhai Hailu Investment Co., Ltd, and the ultimate controlling party of the Group to be Mr. Xu Longhua.

37 Subsequent events

Subsequent to June 30, 2026 and up to the date of this report, there is no material subsequent event.

38 Possible impact of amendments, new standards and interpretations issued but not yet effective for the Track Record Period

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

	Effective for accounting year beginning on or after
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — Amendments to IFRS 10 and IAS 28	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

IFRS 18, Presentation and disclosure in financial statements

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

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

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

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to June 30, 2026.