

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-[1] to I-[3], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF QDAMA INTERNATIONAL HOLDING LTD. (錢大媽國際控股有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND ABCI CAPITAL LIMITED

Introduction

We report on the historical financial information of Qdama International Holding Ltd. (錢大媽國際控股有限公司) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[4] to I-[82], which comprises the consolidated and the company statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 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-[4] to I-[82] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “[**REDACTED**]”) in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s 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 (“**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 accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 purposes of the accountant’s report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the “**Stub Period Comparative Financial Information**”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative 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* issued by the HKICPA. A review consists of making inquiries, 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 Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the [REDACTED] 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-[4] have been made.

Dividends

We refer to note 33 to the Historical Financial Information which states that no dividends have been paid by Qdama International Holding Ltd. (錢大媽國際控股有限公司) in respect of the Track Record Period.

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No statutory financial statements for the Company

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

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

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I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

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

Consolidated statements of comprehensive income

	Note	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	6	11,744,089	11,787,796	11,343,644	5,202,302	5,095,356
Cost of sales	10	(10,595,626)	(10,585,926)	(10,075,578)	(4,622,207)	(4,511,333)
Gross profit		1,148,463	1,201,870	1,268,066	580,095	584,023
Selling and marketing expenses	10	(605,742)	(607,348)	(569,275)	(276,754)	(286,838)
Administrative expenses	10	(414,092)	(432,738)	(371,051)	(176,269)	(193,350)
Net (provision for)/reversal of impairment loss on financial assets	3.1.2	(528)	555	(658)	376	(329)
Research and development expenses	10	(19,537)	(16,428)	(11,318)	(6,317)	(5,335)
Other income	7	20,631	18,758	13,216	6,712	4,742
Other losses – net	8	(288)	(9,134)	(32,737)	(11,985)	(12,544)
Operating profit		128,907	155,535	296,243	115,858	90,369
Finance income	9	11,229	14,937	18,769	9,177	6,579
Finance costs	9	(30,030)	(21,463)	(27,404)	(14,584)	(12,356)
Finance costs – net	9	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)
Fair value gains/(losses) on convertible redeemable preferred shares	26	73,418	163,847	419,052	84,972	(1,985)
Share-based payment expenses for modification of convertible redeemable preferred shares	27	–	–	(954,563)	–	–
Profit/(loss) before income tax		183,524	312,856	(247,903)	195,423	82,607
Income tax expenses	14	(14,961)	(24,467)	(30,734)	(19,373)	(14,556)
Profit/(loss) for the year/period		168,563	288,389	(278,637)	176,050	68,051
Profit/(loss) for the year/period attributable to:						
– Owners of the Company		168,867	288,438	(278,810)	175,993	68,129
– Non-controlling interests		(304)	(49)	173	57	(78)
		168,563	288,389	(278,637)	176,050	68,051

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	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Other comprehensive (loss)/income						
<i>Items that may be reclassified to profit or loss:</i>						
– Currency translation differences	25	(2)	435	(1,233)	(639)	(2,472)
<i>Items that may not be reclassified to profit or loss:</i>						
– Fair value change of convertible redeemable preferred shares due to own credit risk	26	41,657	3,939	9,111	74,696	27,262
Total comprehensive income/(loss) for the year/period		210,218	292,763	(270,759)	250,107	92,841
Total comprehensive income/(loss) for the year/period attributable to:						
– Owners of the Company		210,522	292,812	(270,932)	250,050	92,919
– Non-controlling interests		(304)	(49)	173	57	(78)
		210,218	292,763	(270,759)	250,107	92,841
Earnings/(loss) per share for profit attributable to owners (expressed in RMB cents per share)						
– Basic	15	17.21	30.09	(24.99)	18.70	4.56
– Diluted	15	5.85	7.76	(39.61)	5.01	3.04

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Consolidated statements of financial position

		As at 31 December			As at 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property, plant and equipment	16	82,923	43,453	27,548	30,055
Right-of-use assets	17	200,510	148,731	213,219	230,201
Intangible assets	18	33,225	30,706	26,481	24,222
Deposits, prepayments and other receivables	22	29,123	27,679	24,211	24,344
Financial assets at fair value through other comprehensive income (“FVOCI”)	13	5,000	8,000	8,000	8,000
Deferred income tax assets . .	30	12,372	9,414	9,439	6,101
		363,153	267,983	308,898	322,923
Current assets					
Inventories	20	33,956	37,338	37,891	37,025
Trade receivables	21	6,791	2,568	2,771	5,032
Deposits, prepayments and other receivables	22	240,348	174,147	161,767	166,456
Income tax recoverable		4,996	5,264	5,595	5,157
Derivative financial instruments	32	—	—	—	1,718
Restricted cash	23	282,288	290,242	146,939	140,215
Cash and cash equivalents . .	23	714,243	775,358	1,253,296	1,258,179
		1,282,622	1,284,917	1,608,259	1,613,782
Total assets		1,645,775	1,552,900	1,917,157	1,936,705

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	<i>Note</i>	As at 31 December			As at 30 June
		2023	2024	2025	2026
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Equity					
Equity attributable to owners of the Company					
Share capital	24	72	69	113	113
Other reserves	25	104,878	51,808	1,027,771	1,076,344
Accumulated losses		(2,796,832)	(2,509,212)	(2,789,409)	(2,719,134)
		(2,691,882)	(2,457,335)	(1,761,525)	(1,642,677)
Non-controlling interests		6,139	6,090	5,486	5,408
Total deficit		(2,685,743)	(2,451,245)	(1,756,039)	(1,637,269)
Liabilities					
Non-current liabilities					
Contract liabilities	6	20,945	15,179	15,809	16,685
Lease liabilities	17	119,596	76,996	149,938	162,902
Bank borrowings	31	–	–	85,000	356,900
Deferred income tax liabilities	30	792	580	788	2,149
Accruals and other payables	29	96,558	73,063	72,611	91,463
		237,891	165,818	324,146	630,099
Current liabilities					
Trade payables	28	904,150	750,045	814,431	767,262
Accruals and other payables	29	386,636	388,832	357,688	319,752
Contract liabilities	6	18,531	15,033	14,027	17,868
Lease liabilities	17	95,576	67,493	60,886	60,377
Convertible redeemable preferred shares	26	2,292,653	2,094,867	1,666,704	1,641,427
Bank borrowings	31	390,674	519,945	432,316	133,308
Income tax payables		5,407	2,112	2,998	3,881
		4,093,627	3,838,327	3,349,050	2,943,875
Total liabilities		4,331,518	4,004,145	3,673,196	3,573,974
Net current liabilities		(2,811,005)	(2,553,410)	(1,740,791)	(1,330,093)
Total deficit and liabilities		1,645,775	1,552,900	1,917,157	1,936,705

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Statements of financial position of the Company

		As at 31 December			As at 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Interest in subsidiaries	12	3,025,493	3,039,355	3,059,704	3,081,801
		3,025,493	3,039,355	3,059,704	3,081,801
Current assets					
Prepayments	22	583	4,719	8,471	14,317
Amounts due from subsidiaries	37	663	729	783	758
Cash and cash equivalents . . .	23	301	1,594	274	1,248
		1,547	7,042	9,528	16,323
Total assets		3,027,040	3,046,397	3,069,232	3,098,124
Equity					
Share capital	24	72	69	113	113
Other reserves	25	171,667	117,344	1,104,195	1,157,386
Retained earnings	25	502,046	644,650	91,231	82,480
Total equity		673,785	762,063	1,195,539	1,239,979
Liabilities					
Current liabilities					
Other payables	29	2,539	5,284	11,221	793
Convertible redeemable preference shares	26	2,292,653	2,094,867	1,666,704	1,641,427
Amounts due to subsidiaries .	37	58,063	184,183	195,768	215,925
Total liabilities		2,353,255	2,284,334	1,873,693	1,858,145
Total equity and liabilities . . .		3,027,040	3,046,397	3,069,232	3,098,124

Attributable to owners of the Company

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	Attributable to owners of the Company				
	Share capital	Other reserves (Note 25)	Accumulated losses	Sub-total	Non- controlling interests
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>Note</i>					
Balance at 1 January 2025	69	51,808	(2,509,212)	(2,457,335)	6,090
Comprehensive income/(loss)					
(Loss)/profit for the year	–	–	(278,810)	(278,810)	173
Currency translation differences	–	(1,233)	–	(1,233)	–
Fair value gains of convertible redeemable preferred shares due to own credit risk . . .	–	9,111	–	9,111	–
Transactions with owners in their capacity as owners:					
Appropriation of statutory reserves	–	2,488	(2,488)	–	–
Transaction with non-controlling shareholders	–	(11,042)	–	(11,042)	(777)
Issuance of ordinary shares	44	954,519	–	954,563	–
Derecognition of subsidiaries	–	(1,101)	1,101	–	–
Share-based payment to employees	–	23,221	–	23,221	–
Balance at 31 December 2025	113	1,027,771	(2,789,409)	(1,761,525)	5,486
(Unaudited)					
Balance at 1 January 2025	69	51,808	(2,509,212)	(2,457,335)	6,090
Comprehensive income/(loss)					
Profit for the period	–	–	175,993	175,993	57
Currency translation differences	–	(639)	–	(639)	–
Fair value gains of convertible redeemable preferred shares due to own credit risk . . .	–	74,696	–	74,696	–
Transactions with owners in their capacity as owners:					
Share-based payment to employees	–	8,993	–	8,993	–
Balance at 30 June 2025	69	134,858	(2,333,219)	(2,198,292)	6,147

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Consolidated statements of cash flows

		Year ended 31 December			Six months ended 30 June	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Cash flows from operating activities						
Cash generated from operations	34(a)	144,245	158,432	467,390	173,727	92,409
Income tax paid		(29,046)	(25,286)	(30,038)	(10,227)	(8,618)
Net cash inflow from operating activities		115,199	133,146	437,352	163,500	83,791
Cash flows from investing activities						
Purchase of property, plant and equipment		(13,431)	(11,790)	(12,264)	(6,193)	(7,040)
Proceeds from disposal of property, plant and equipment	34(b)	6,280	6,046	4,869	3,104	225
Purchase of intangible assets		(6,642)	(1,748)	(683)	(384)	(398)
Proceeds from disposal of an associate		1,000	–	–	–	–
Loans granted to a related party	37(b)	–	(4,500)	–	–	–
Loans granted to a third party		–	(2,500)	(1,266)	–	–
Repayment from a related party		2,392	77,200	–	–	–
Placement of restricted bank deposits for derivative bank financial instruments		–	–	–	–	(134,827)
Interest received from bank deposits		9,412	13,487	16,704	4,406	7,283
Acquisition of financial assets at FVOCI		(5,000)	(3,000)	–	–	–
Net cash (outflow)/inflow from investing activities		(5,989)	73,195	7,360	933	(134,757)

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	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(Unaudited)	
Cash flows from financing activities						
Payments for acquisition of ownership interests in a subsidiary without change in control		–	–	(11,819)	–	–
Refund to a Series D CRPS holder of Guangzhou Qdama	26(i)	(175,000)	–	–	–	–
Refund to warrant holders upon exercise of warrants	26(ii)	–	(238,399)	–	–	–
Proceeds from issuance of CRPS	26(i)(ii)	175,000	238,399	–	–	–
Refund to a warrant holder upon expiry of warrant	26(ii)	–	(30,000)	–	–	–
Payments for repurchase of ordinary shares	24	–	(110,000)	–	–	–
Payments of rental deposits to the lessors		(7,693)	(8,823)	(14,041)	(912)	(2,365)
Refund of rental deposits		12,199	4,518	11,445	7,393	1,390
Proceeds from bank borrowings	34(c)	600,268	764,660	664,900	242,900	399,900
Repayments of bank borrowings	34(c)	(370,000)	(635,268)	(667,560)	(269,660)	(427,000)
Placement of restricted bank deposits		(469,970)	(429,196)	(245,140)	(103,800)	–
Redemption of restricted bank deposits		198,316	415,422	389,992	285,428	140,576
Payments of [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Principal elements of lease payments	34(c)	(125,228)	(96,946)	(66,934)	(34,147)	(38,622)
Interest elements of lease payments	34(c)	(15,463)	(6,816)	(9,011)	(4,991)	(3,591)
Interest paid	34(c)	(10,039)	(10,164)	(14,530)	(7,407)	(6,756)
Net cash (outflow)/inflow from financing activities		(187,777)	(145,944)	34,863	113,649	59,351
Net (decrease)/increase in cash and cash equivalents		(78,567)	60,397	479,575	278,082	8,385
Cash and cash equivalents at the beginning of year/period		791,507	714,243	775,358	775,358	1,253,296
Effect of currency translation differences		1,303	718	(1,637)	(750)	(3,502)
Cash and cash equivalents at end of the year/period		714,243	775,358	1,253,296	1,052,690	1,258,179

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND HISTORY OF THE GROUP

1.1 General information

Qdama International Holding Ltd. (the “**Company**”) was incorporated in the Cayman Islands on 12 May 2021 as an exempted company with limited liability. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the sales of the fresh products through self-operated stores/self-operated channels, franchise stores/ franchise channels and online platform (the “[REDACTED] **Business**”) in the People’s Republic of China (the “**PRC**”), Hong Kong and Macau.

Before 20 December 2024, Ms. Feng and her brother, Mr. Feng, through Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) and WH Feng Ltd., collectively held 100% of the Company’s ordinary shares.

On 20 December 2024, Mr. Feng transferred all of his equity interest in Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) to Ms. Feng. Since then, Ms. Feng has been the ultimate controlling shareholder of the Group.

1.2 History of the Group

Prior to the incorporation of the Company and the completion of the reorganisation as described below (the “**Reorganisation**”), the [REDACTED] **Business** was mainly carried out by Guangzhou Qdama Agricultural Products Company Limited (廣州市錢大媽農產品有限公司, “**Guangzhou Qdama**”), a limited liability company established in the PRC, and its subsidiaries (together, the “**PRC Operating Entities**”). The PRC Operating Entities were collectively controlled by the Ultimate Controlling Shareholders throughout the Track Record Period.

In preparation for the initial [REDACTED] of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “[REDACTED]”), the Group underwent the Reorganisation to incorporate the Company as the holding company of the companies which now comprise the Group to conduct the [REDACTED] **Business**.

The Reorganisation mainly involved the following:

- (a) On 12 May 2021, the Company was incorporated in the Cayman Islands and 1 share of United States dollars (“**US\$**”) 0.1 par value had been issued at par to the initial subscriber and transferred at par to Mr. Feng on the same day. On 25 May 2021, the Company issued 1 share at par to Ms. Feng.
- (b) On 20 May 2021, Qdama International Investment Holding Ltd. (“**Qdama BVI**”) was incorporated in the British Virgin Islands (“**BVI**”) by the Company as a wholly-owned subsidiary, which is authorised to issue a maximum of 50,000 shares of one class of no par value.
- (c) On 9 June 2021, Qdama (Hong Kong) Investment Holding Limited (“**Qdama HK**”) was incorporated by Qdama BVI in Hong Kong as a wholly-owned subsidiary of Qdama BVI.
- (d) On 26 January 2022, a total of 1,172,797,000 ordinary shares of the Company were issued as follows:

Shareholder	Number of shares	Equity interest in %
Feng WH Ltd. (<i>Note (i)</i>)	926,108,000	78.96%
WH Feng Ltd. (<i>Note (ii)</i>)	54,870,000	4.68%
Qdama Talent Holding Limited (<i>Note (iii)</i>)	191,819,000	16.36%
	1,172,797,000	100.00%

- (i) On 28 April 2021, Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) was incorporated in the BVI which was wholly owned by Mr. Feng.
- (ii) On 28 April 2021, WH Feng Ltd. was incorporated in the BVI which was wholly owned by Ms. Feng.
- (iii) On 1 December 2021, Qdama Talent Holding Limited was incorporated in the BVI which was wholly owned by Mr. Feng and Ms. Feng as an employee stock ownership platform.

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- (e) Pursuant to the agreement dated 26 January 2022, all issued registered capital to the investors of Guangzhou Qdama were cancelled. In consideration, the Company issued the following convertible redeemable preferred shares (“**CRPS**”) on 26 January 2022 to Guangzhou Qdama’s then investors:
- 10,495,000 series Pre-A convertible redeemable preferred shares of the Company (“**Series Pre-A CRPS**”) to the holders of Series Pre-A convertible redeemable preferred shares of Guangzhou Qdama;
 - 64,778,000 series A convertible redeemable preferred shares of the Company (“**Series A CRPS**”) to the holders of Series A investment of Guangzhou Qdama;
 - 125,186,670 series B convertible redeemable preferred shares of the Company (“**Series B CRPS**”) to the holders of Series B investment of Guangzhou Qdama;
 - 39,321,330 series B+ convertible redeemable preferred shares of the Company (“**Series B+ CRPS**”) to the holders of Series B+ investment of Guangzhou Qdama;
 - 131,886,000 series C convertible redeemable preferred shares of the Company (“**Series C CRPS**”) to the holders of Series C investment of Guangzhou Qdama;
 - 80,289,000 series D convertible redeemable preferred shares of the Company (“**Series D CRPS**”) to the holders of Series D investment of Guangzhou Qdama.
- (f) On 26 January 2022, the Company issued 116,038,169 Series E Convertible Redeemable Preferred Shares and warrants to subscribe for 50,704,131 Series E Convertible Redeemable Preferred Shares to investors at a consideration of US\$97,124,000 (equivalent to RMB614,239,000) and US\$42,439,000 (equivalent to RMB268,399,000), respectively.
- (g) On 27 January 2022, Qdama HK acquired a total of 97.9651% of effective interest in Guangzhou Qdama from the Ultimate Controlling Shareholders, employee stock ownership platform in the PRC and investors at a consideration of RMB1,591,597 which was based on the book value of its registered capital and settled in cash. After the acquisition, Guangzhou Qdama became a non-wholly owned subsidiary of Qdama HK.

Upon the completion of the reorganisation on 27 January 2022, the Company became the holding company of the companies now comprising the Group.

2 BASIS OF PREPARATION

The material accounting policies applied in preparation of the Historical Financial Information are set out as below. These policies have been consistently applied to all the years and periods presented, unless otherwise stated.

The Historical Financial Information has been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA. The Historical Financial Information has been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (“**FVOCI**”), convertible redeemable preferred shares and derivative financial instruments measured at fair value.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

As at 30 June 2026, the Group had net deficit of approximately RMB1,637,269,000, and net current liabilities of approximately RMB1,330,093,000, including the CRPS of RMB1,641,427,000 which were classified as financial liabilities. The CRPS will be automatically converted to ordinary shares upon the completion of qualified [REDACTED].

The Group’s management has been continuously monitoring its financial position and has secured adequate financing to support its operations and capital expenditure. Based on the Group’s available funds, banking facilities and cash flow projections, and taking into account the non-exercise of the redemption rights by CRPS holders for at least twelve months from 30 June 2026, the directors of the Company believe the Group will have sufficient working capital to meet its operational needs, debt repayments, and capital expenditure for at least twelve months from the period end date of the Historical Financial Information. Accordingly, the Historical Financial Information has been prepared on a going concern basis.

All relevant standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

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(a) New and amended standards adopted by the Group

The HKICPA has issued a number of new and amended HKFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and amended HKFRS Accounting Standards consistently throughout the Track Record Period except for any new or interpretation that are not yet effective for the reporting period ended 30 June 2026.

These amendments did not have significant impact except amendment to HKAS 1, ‘Classification of Liabilities as Current or Non-current’, which has been applied throughout the Track Record Period. As at 31 December 2023, 2024 and 2025 and 30 June 2026, all the convertible redeemable preferred shares were classified as current liabilities (Note 3.1.3).

(b) New and amended standards and interpretation not yet adopted by the Group

To the date of issuance of this report, the HKICPA has issued the following new and amended standards and interpretation which are not yet effective and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors have performed assessment on the new standards, and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group’s consolidated financial statements when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of HKFRS 18 will have no impact on the group’s net profit, the group expects that grouping items of income and expenses in the consolidated statements of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, foreign exchange differences currently aggregated in the line item ‘other losses — net’ in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.

The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;

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- a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statements of comprehensive income — this break-down is only required for certain nature of expenses; and
- for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statements of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including: (a) foreign exchange risk, (b) interest rate risk and (c) price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

3.1.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group subsidiaries’ functional currency. The functional currency of the Company and majority of the subsidiaries is RMB, except for the subsidiaries incorporated in Hong Kong where the functional currency is Hong Kong dollars (“HK\$”) and the subsidiaries incorporated in Macau where the functional currency is Macau Pataca (“MOP”). The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US\$ and HK\$. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group’s entities.

Following table shows that, if US\$/HK\$ have strengthened/weakened by 5% against RMB, with all other variables held constant, pre-tax profit for the Track Record Periods change.

	As at 31 December			As at 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Pre-tax profit/(loss) increase/(decrease)				(Unaudited)	
US\$ strengthened by 5%	10,193	18,551	20,223	13,086	12,904
US\$ weakened by 5%	(10,193)	(18,551)	(20,223)	(13,086)	(12,904)
HK\$ strengthened by 5%	1,587	3,991	6,491	6,575	1,557
HK\$ weakened by 5%	(1,587)	(3,991)	(6,491)	(6,575)	(1,557)

(b) Cash flow and fair value interest rate risk

The Group has no significant variable interest-bearing assets or liabilities except for the bank balances, of which the interest rates are fixed or not expected to change significantly.

(c) Price risk

The Group is not exposed to material price risk in respect of financial assets at FVOCI held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, all investments must be assessed cautiously and approved by the senior management before they may be entered into.

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3.1.2 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, trade receivables and deposits and other receivables. The carrying amounts of each class of the above financial assets represent the Group’s maximum exposure to credit risk in relation to financial assets.

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Chinese Mainland and reputable international financial institutions outside of Chinese Mainland. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are immaterial.

To manage risk arising from trade receivables, which are mostly from the franchisees, the Group has policies in place to ensure that they have settled the payment on “T+1” basis and normally no credit period granted to them. In view of the sound collection history of receivables due from them, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences and forward-looking information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating.
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations.
- actual or expected significant changes in the operating results of the counter party.
- significant changes in credit risk on other financial instruments of the same counter party.
- significant changes in the expected performance and behaviour of the counter party, including changes in the payment status of borrowers in the Group and changes in the operating results of the counter party.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

For other receivables, the Group adopted a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

Category	Other receivables	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2)

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Category	Other receivables	Basis for recognition of expected credit loss provision
Non-performing (credit impaired)	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Written-off	There is no reasonable expectation of recovery	Asset is written off

Trade receivables

Settlement between the Group and the franchise stores are processed on a daily basis, the franchisees are required to settle the payment on “T+1” basis.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days of initial recognition.

The loss allowance provisions of trade receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026 are determined as follows, the expected credit losses below also incorporate forward looking information.

	Up to 1 month	1 to 6 months	6 months to 1 year	Over 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023					
Expected loss rate	0.67%	59.75%	100.00%	100.00%	
Gross carrying amount	6,290	1,349	293	723	8,655
Loss allowance provision	(42)	(806)	(293)	(723)	(1,864)
	<u>6,248</u>	<u>543</u>	<u>–</u>	<u>–</u>	<u>6,791</u>
At 31 December 2024					
Expected loss rate	2.95%	97.40%	100.00%	100.00%	
Gross carrying amount	2,644	77	10	229	2,960
Loss allowance provision	(78)	(75)	(10)	(229)	(392)
	<u>2,566</u>	<u>2</u>	<u>–</u>	<u>–</u>	<u>2,568</u>
At 31 December 2025					
Expected loss rate	1.27%	39.70%	100.00%	100.00%	
Gross carrying amount	2,519	471	33	67	3,090
Loss allowance provision	(32)	(187)	(33)	(67)	(319)
	<u>2,487</u>	<u>284</u>	<u>–</u>	<u>–</u>	<u>2,771</u>
At 30 June 2026					
Expected loss rate	1.91%	13.25%	100.00%	100.00%	
Gross carrying amount	4,129	1,132	132	57	5,450
Loss allowance provision	(79)	(150)	(132)	(57)	(418)
	<u>4,050</u>	<u>982</u>	<u>–</u>	<u>–</u>	<u>5,032</u>

Other receivables

Other receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. Other receivables are categorised as follows for assessment purpose:

Group 1	Rental deposits
Group 2	Amounts due from related parties
Group 3	Others

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, the gross carrying amount and loss allowance of other receivables in categories are as follows:

	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023						
Group 1	41,890	(839)	11	—	1,741	(1,741)
Group 2	69,971	(555)	—	—	—	—
Group 3	5,234	(704)	—	—	—	—
Total	117,095	(2,098)	11	—	1,741	(1,741)
As at 31 December 2024						
Group 1	37,979	(740)	44	(1)	2,862	(2,862)
Group 2	—	—	—	—	—	—
Group 3	8,475	(260)	—	—	—	—
Total	46,454	(1,000)	44	(1)	2,862	(2,862)
As at 31 December 2025						
Group 1	22,935	(313)	118	(1)	1,744	(1,744)
Group 2	—	—	—	—	—	—
Group 3	11,806	(107)	—	—	1,204	(1,204)
Total	34,741	(420)	118	(1)	2,948	(2,948)
As at 30 June 2026						
Group 1	22,881	(379)	186	(4)	1,875	(1,875)
Group 2	—	—	—	—	—	—
Group 3	11,965	(133)	—	—	1,204	(1,204)
Total	34,846	(512)	186	(4)	3,079	(3,079)

The loss allowance for trade receivables and other receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026 reconciles to the opening loss allowance are as follows:

	Trade receivables	Other receivables	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	1,481	3,704	5,185
Provision for impairment losses for the year	393	135	528
Exchange differences	(10)	—	(10)
As at 31 December 2023	1,864	3,839	5,703
As at 1 January 2024	1,864	3,839	5,703
(Reversal of)/provision for impairment losses for the year	(629)	74	(555)
Written off	(847)	—	(847)
Exchange differences	4	(50)	(46)
As at 31 December 2024	392	3,863	4,255
As at 1 January 2025	392	3,863	4,255
Provision for impairment losses for the year	65	593	658
Written off	(137)	(1,056)	(1,193)
Exchange differences	(1)	(31)	(32)
As at 31 December 2025	319	3,369	3,688
(Unaudited)			
As at 1 January 2025	392	3,863	4,255
Provision for impairment losses for the period	137	(513)	(376)
Written off	—	(30)	(30)
Exchange differences	—	(2)	(2)
As at 30 June 2025	529	3,318	3,847

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	Trade receivables	Other receivables	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2026	319	3,369	3,688
Provision for impairment losses for the period	99	230	329
Exchange differences	–	(4)	(4)
As at 30 June 2026	418	3,595	4,013

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3.1.3 Liquidity risk

Cash flow forecasts are prepared by management. Management monitors rolling forecasts on the Group’s liquidity requirements to ensure the Group maintains sufficient liquidity reserves to support sustainability and growth of the Group’s business. Currently, the Group finances its working capital requirements through funds generated from operations, issue of new shares, and obtaining bank borrowings.

Management monitors rolling forecasts of the Group’s liquidity reserves on the basis of expected cash flows. The Group’s policy is to regularly monitor current and expected liquidity requirements and its compliance with the relevant covenants of its borrowing facilities, 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 long term.

The Group recognises the convertible redeemable preferred shares issued to investors at fair value through profit or loss (Note 26). Accordingly, the convertible redeemable preferred shares issued to investors are managed on a fair value basis rather than by maturing dates.

The table below analyses the Group’s financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023					
Trade payables	904,150	–	–	–	904,150
Accruals and other payables (excluding accrued payroll and other taxes payables)	275,107	45,978	61,465	–	382,550
Borrowings and interest payments	394,492	–	–	–	394,492
Lease liabilities and interest payments	102,872	58,206	47,190	26,521	234,789
	1,676,621	104,184	108,655	26,521	1,915,981
As at 31 December 2024					
Trade payables	750,045	–	–	–	750,045
Accruals and other payables (excluding accrued payroll and other taxes payables)	277,895	37,563	43,315	–	358,773
Borrowings and interest payments	526,573	–	–	–	526,573
Lease liabilities and interest payments	71,630	38,726	41,053	517	151,926
	1,626,143	76,289	84,368	517	1,787,317
As at 31 December 2025					
Trade payables	814,431	–	–	–	814,431
Accruals and other payables (excluding accrued payroll and other taxes payables)	264,788	19,207	60,963	–	344,958
Borrowings and interest payments	440,776	12,257	75,042	–	528,075
Lease liabilities and interest payments	67,190	54,956	103,733	–	225,879
	1,587,185	86,420	239,738	–	1,913,343
As at 30 June 2026					
Trade payables	767,262	–	–	–	767,262
Accruals and other payables (excluding accrued payroll and other taxes payables)	235,157	32,820	67,490	–	335,467
Borrowings and interest payments	143,812	110,966	258,954	–	513,732
Lease liabilities and interest payments	67,212	54,670	90,972	33,642	246,496
	1,213,443	198,456	417,416	33,642	1,862,957

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group’s convertible redeemable preferred shares were classified as current liabilities as the convertible redeemable preferred shares

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may be converted into ordinary shares at the option of the preferred shareholders at any time and the conversion feature does not meet the “fixed-for-fixed” criteria.

For Series Pre-A to D Convertible Redeemable Preferred Shares, the maximum exposure of the redemption of convertible redeemable preferred shares is the contractual redemption price, which is equal to 100% of the original investment amount plus a compound interest rate of 8% per annum accrued during the period from the issuance of the convertible redeemable preferred shares until the date on which the redemption price is paid in full, and plus any declared but unpaid dividends if the redemption event occurs as described in Note 26.

For Series E convertible redeemable preferred shares, the maximum exposure of the redemption of convertible redeemable preferred shares is the contractual redemption price, which is equal to 100% of the original investment amount plus a simple interest rate of 15% per annum accrued during the period from the issuance of the convertible redeemable preferred shares until the date on which the redemption price is paid in full, and plus any declared but unpaid dividends if the redemption event occurs as described in Note 26.

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using a gearing ratio and restricted cash. The Group manages its capital structure and makes adjustments to it in order to have funds available to support the business activities which the directors intend to pursue in addition to maximizing the return to shareholders. The directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Group’s management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed. The Group reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Group, is reasonable.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The table below analyses the Group’s financial instruments carried at fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	5,000	5,000
Financial liabilities at fair value through profit or loss (“FVTPL”)				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	2,292,653	2,292,653
As at 31 December 2024				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	2,094,867	2,094,867
As at 31 December 2025				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	1,666,704	1,666,704
As at 30 June 2026				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial assets at FVTPL				
– Derivative financial instruments (<i>Note 32</i>)	–	1,718	–	1,718
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	1,641,427	1,641,427

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

3.3.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes to valuation techniques during the Track Record Period.

There is no instrument included in level 1. Instruments included in level 2 comprised derivative financial instruments. Level 3 instruments of the Group’s assets and liabilities include wealth management products, convertible redeemable preferred shares measured at fair value through profit and loss, [REDACTED] equity securities measured at fair value through other comprehensive income.

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3.3.3 Fair value measurements using significant unobservable inputs (level 3)

- (a) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

	Fair value				Unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
	As at 31 December			As at 30 June			
	2023	2024	2025	2026			
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets at FVOCI							
– [REDACTED] equity securities . . .	5,000	8,000	8,000	8,000	Latest transaction price	N/A	N/A

3.4 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset as at 31 December 2023, 2024 and 2025 and 30 June 2026.

	Effects of offsetting on the consolidated statements of financial position		
	Gross amounts	Gross amounts set off in the consolidated statements of financial position	Net amounts presented in the consolidated statements of financial position
	RMB'000	RMB'000	RMB'000
As at 31 December 2023			
Financial assets			
Trade receivables	34,851	(28,060)	6,791
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	399,165	(28,060)	371,105
As at 31 December 2024			
Financial assets			
Trade receivables	31,975	(29,407)	2,568
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	379,248	(29,407)	349,841
As at 31 December 2025			
Financial assets			
Trade receivables	28,543	(25,772)	2,771
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	362,242	(25,772)	336,470
As at 30 June 2026			
Financial assets			
Trade receivables	33,189	(28,157)	5,032
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	354,303	(28,157)	326,146

The Group collects sales proceeds on behalf of the franchisees and settles with each of the franchise store regularly by remitting the sales proceeds to the franchisees after deducting the outstanding purchase amounts of fresh products from the Group. The relevant amounts have therefore been presented net in the consolidated statements of financial position.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Basis of consolidation

In the normal course of business, the Group enters into franchising agreements with franchisees. The rights and obligations of the Group and the franchisees are stipulated by respective franchising agreements. Because of the complexity of the arrangements, significant judgement is needed in determining whether the Group has the power to control and therefore should consolidate the franchisees.

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 Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the conclusion whether the franchisees are under the control of the Group requires the application of judgement through the analysis of various factors including the extent of power the Group has on relevant activities of the franchisees. Based on the Group’s analysis, it has concluded that it does not have such power on the franchisees.

(b) Share-based compensation arrangements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. In addition, the Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of the options in order to determine the amount of share-based compensation expenses charged to profit or loss with the consolidated statement of comprehensive income. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in Note 27.

The Group estimates the expected forfeiture rate at the end of vesting periods (“**Forfeiture Rate**”) of the share options granted in order to determine the amount of share-based payment expenses charged to profit or loss. The Forfeiture Rate of the share options of the Group to grantees were assessed to be ranging from 0% to 2.0% during the Track Record Period.

(c) Measurement of the fair value of convertible redeemable preferred shares

The fair values of the Group’s CRPS and warrants were measured at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgements and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting periods. Changing the key assumptions used by management could materially affect the fair value of these financial liabilities and as a result affect the Group’s financial position and results of operation. Details of the valuation models, key assumptions and inputs are disclosed in Note 26.

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilization may be different.

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(e) Impairment assessment for non-financial assets

Non-financial assets, mainly including property, plant and equipment, right-of-use assets, intangible assets and investments accounted for using equity method, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value in use (“VIU”) calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the profit or loss.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the Track Record Period, the Group is principally engaged in the sales of the fresh products under the brand name of “Qdama” in the Chinese Mainland, Hong Kong and Macau. Management views the operating results of the business as geographically to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are three segments for making strategic decisions.

The majority of operating entities of the Group are located in the PRC. Accordingly, The Group was organised into three geographical segments namely: (i) Guangdong Province and (ii) Other regions in Chinese Mainland, and (iii) Hong Kong & Macau during the Track Record Period.

Accordingly, the Group presents the revenue and corresponding assets and liabilities for the segments, and does not allocate expenses of the other assets to the respective segments.

(a) Segment revenue and results

The following is an analysis of the Group’s revenue by geographical segment:

For the year ended 31 December 2023

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	7,958,078	3,106,545	703,467	(24,001)	11,744,089
Cost of sales	(7,052,085)	(2,978,878)	(588,664)	24,001	(10,595,626)
Operating expenses	(243,635)	(239,525)	(90,075)	–	(573,235)
Other gains/(losses) – net	8,899	(5,767)	(1,080)	–	2,052
Finance costs – net	(6,827)	(10,992)	(587)	–	(18,406)
Other income	5,434	820	267	–	6,521
Segment results	669,864	(127,797)	23,328	–	565,395
Unallocated:					
Corporate expenses					(466,664)
Other income					14,110
Other losses – net					(2,340)
Finance costs – net					(395)
Fair value gains on convertible redeemable preferred shares					73,418
Profit before income tax					183,524
Income tax expense					(14,961)
Profit for the year					168,563

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	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	8,184,136	2,954,173	876,490	(227,003)	11,787,796
Cost of sales	(7,270,332)	(2,817,220)	(725,377)	227,003	(10,585,926)
Operating expenses	(190,785)	(223,028)	(104,463)	–	(518,276)
Other gains/(losses) – net	704	(24,141)	(1,065)	–	(24,502)
Finance costs – net	(1,329)	(3,413)	(832)	–	(5,574)
Other income	3,718	1,525	582	–	5,825
Segment results	726,112	(112,104)	45,335	–	659,343
Unallocated:					
Corporate expenses					(537,683)
Other income					12,933
Other gains – net					15,368
Finance costs – net					(952)
Fair value gains on convertible redeemable preferred shares					163,847
Profit before income tax					312,856
Income tax expense					(24,467)
Profit for the year					288,389

For the year ended 31 December 2025

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	7,558,650	3,714,038	935,105	(864,149)	11,343,644
Cost of sales	(6,675,421)	(3,500,789)	(763,517)	864,149	(10,075,578)
Operating expenses	(199,953)	(204,420)	(114,259)	–	(518,632)
Other losses – net	(5,930)	(18,007)	(6,093)	–	(30,030)
Finance (costs)/income – net	(4,147)	(1,262)	2,555	–	(2,854)
Other income	2,201	782	671	–	3,654
Segment results	675,400	(9,658)	54,462	–	720,204
Unallocated:					
Corporate expenses					(433,670)
Other income					9,562
Other losses – net					(2,707)
Finance costs – net					(5,781)
Fair value gains and modification adjustments on convertible redeemable preferred shares – net					(535,511)
Loss before income tax					(247,903)
Income tax expense					(30,734)
Loss for the year					(278,637)

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For the six months ended 30 June 2025 (Unaudited)

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3,531,277	1,494,839	451,772	(275,586)	5,202,302
Cost of sales	(3,121,189)	(1,409,552)	(367,052)	275,586	(4,622,207)
Operating expenses	(90,513)	(98,937)	(54,862)	–	(244,312)
Other gains/(losses) – net	485	(11,539)	(1,478)	–	(12,532)
Finance (costs)/income – net	(1,934)	(769)	1,170	–	(1,533)
Other income	912	477	391	–	1,780
Segment results	319,038	(25,481)	29,941	–	323,498
Unallocated:					
Corporate expenses					(214,652)
Other income					4,932
Other gains – net					547
Finance costs – net					(3,874)
Fair value gains on convertible redeemable preferred shares					84,972
Profit before income tax					195,423
Income tax expense					(19,373)
Profit for the period					176,050

For the six months ended 30 June 2026

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3,258,614	1,873,519	432,896	(469,673)	5,095,356
Cost of sales	(2,855,302)	(1,774,585)	(351,119)	469,673	(4,511,333)
Operating expenses	(96,743)	(112,247)	(57,542)	–	(266,532)
Other losses – net	1,028	33	(12,586)	–	(11,525)
Finance costs – net	(1,649)	(480)	1,281	–	(848)
Other income	510	268	92	–	870
Segment results	306,458	(13,492)	13,022	–	305,988
Unallocated:					
Corporate expenses					(219,320)
Other income					3,872
Other losses – net					(1,019)
Finance costs – net					(4,929)
Fair value losses on convertible redeemable preferred shares					(1,985)
Profit before income tax					82,607
Income tax expense					(14,556)
Profit for the period					68,051

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(b) Segment assets and liabilities

The segment assets and liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

As at 31 December 2023

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	2,021,944	196,428	382,288	(1,968,788)	631,872
Unallocated assets:					
Cash and bank balances					714,243
Restricted cash					282,288
Financial assets at FVOCI					5,000
Deferred tax assets					12,372
Total assets					<u>1,645,775</u>
Total segment liabilities	1,506,654	1,779,055	330,478	(1,968,788)	1,647,399
Unallocated liabilities:					
Borrowings					390,674
Other unallocated corporate liabilities					2,293,445
Total liabilities					<u>4,331,518</u>

As at 31 December 2024

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,987,785	137,434	205,475	(1,860,808)	469,886
Unallocated assets:					
Cash and bank balances					775,358
Restricted cash					290,242
Financial assets at FVOCI					8,000
Deferred tax assets					9,414
Total assets					<u>1,552,900</u>
Total segment liabilities	1,129,143	1,735,862	384,556	(1,860,808)	1,388,753
Unallocated liabilities:					
Borrowings					519,945
Other unallocated corporate liabilities					2,095,447
Total liabilities					<u>4,004,145</u>

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As at 31 December 2025

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,398,772	186,748	136,429	(1,222,466)	499,483
Unallocated assets:					
Cash and bank balances					1,253,296
Restricted cash					146,939
Financial assets at FVOCI					8,000
Deferred tax assets					9,439
Total assets					<u>1,917,157</u>
Total segment liabilities	1,109,938	1,134,670	466,246	(1,222,466)	1,488,388
Unallocated liabilities:					
Borrowings					517,316
Other unallocated corporate liabilities					1,667,492
Total liabilities					<u>3,673,196</u>

As at 30 June 2026

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,449,843	187,324	138,493	(1,251,450)	524,210
Unallocated assets:					
Cash and bank balances					1,258,179
Restricted cash					140,215
Financial assets at FVOCI					8,000
Deferred tax assets					6,101
Total assets					<u>1,936,705</u>
Total segment liabilities	1,078,975	1,116,402	496,263	(1,251,450)	1,440,190
Unallocated liabilities:					
Borrowings					490,208
Other unallocated corporate liabilities					1,643,576
Total liabilities					<u>3,573,974</u>

6 REVENUE

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Product sales	11,460,052	11,490,657	11,038,660	(Unaudited) 5,065,166	4,951,472
Royalty and franchising services	176,050	169,389	159,069	74,202	73,495
Others	107,987	127,750	145,915	62,934	70,389
	<u>11,744,089</u>	<u>11,787,796</u>	<u>11,343,644</u>	<u>5,202,302</u>	<u>5,095,356</u>
Revenue from contract with customers recognised:					
– at a point in time	11,560,786	11,614,038	11,183,492	5,127,577	5,021,131
– over time	183,303	173,758	160,152	74,725	74,225
	<u>11,744,089</u>	<u>11,787,796</u>	<u>11,343,644</u>	<u>5,202,302</u>	<u>5,095,356</u>

There is no single external customer who contributed 10% or more of the Group’s revenue during the Track Record Period.

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Accounting policies of revenue recognition

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

(a) *Product sales*

The Group principally generates its revenue from the sales of fresh products through its self-operating stores/self-operating channels, franchise stores/franchise channels.

- Revenue from sales of fresh products via self-operating stores/self-operating channels to the individual customers is recognised at the point in time when the individual customers accept the ordered fresh products and the control over the fresh foods products is transferred to the customer.
- Revenue from sales of fresh foods and other products to the franchise stores is recognised at the point in time upon the franchise stores accept the fresh products and the control over the fresh foods is transferred to the franchise stores, after which such fresh foods and other products are sold by the franchise stores/franchise channels to the individual customers.

The Group is the primary obligator for the fresh products for the above sales, takes inventory risk and has latitude in establishing prices and selecting suppliers. Revenue is recorded on the gross basis.

Discounts and return allowances

The Group recognises the revenue net of discounts and return allowances when the products are delivered, and the control is passed to customers. For sale of products, the Group reasonably estimates the possibility of return based on the historical experience.

Loyalty programs

Individual customers buying from the operating stores are granted loyalty points primarily from the purchase of goods. Loyalty points can be used as cash coupons to buy the products sold by the Group, which will directly reduce the amount paid by the individual customer. The Group considers loyalty points awarded from sales of products to be part of its revenue generating activities, and accordingly, loyalty points are considered to be a material right and a separate performance obligation identified in the contract. Consideration from the sales transaction is allocated to the products and loyalty points based on the relative standalone selling price of the products and loyalty points awarded. The amount of revenue the Group recognises upon the redemption of loyalty points considers breakage, which is estimated based on the Group’s historical experience.

(b) *Royalty and franchising services*

The Group also charges one-off franchise fees and sales-based royalty fees to franchisees. The sales-based royalty fees were based on certain percentage of daily sales transactions completed. The Group’s promise to grant the licence is a separate performance obligation.

Revenue from franchise fees of franchise stores is recognised over the scheduled period on a straight-line basis because it’s “right to access” license, the sales-based royalty fees are recognised when the sales of franchisee to consumer transaction occur.

(c) *Others*

The Group also provides instant delivery services through its online sales channel and other third-party food delivery platforms. The Group acts as an agent and earns premium service and delivery charges. Such revenue is recognised at the point in time when the related performance obligation is satisfied.

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The Group also generates revenue from providing operational support to franchise stores to ensure consistency of store styles, including design and decoration services and the sale of store equipment to franchisees. Design and decoration service fees are recognised as revenue when the related services are rendered. Revenue from the sale of store equipment is recognised at the point in time when the franchisee accepts the equipment and control of the equipment transfers to the franchisee.

(d) Presentation of assets and liabilities related to contracts with customers

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group’s performance and the customer’s payment.

A contract asset is the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Non-current liabilities				
Contract liabilities related to royalty and franchising services	20,945	15,179	15,809	16,685
Current liabilities				
Contract liabilities related to royalty and franchising services	13,936	12,371	9,652	10,052
Contract liabilities related to product sales and others	4,595	2,662	4,375	7,816
	18,531	15,033	14,027	17,868
Total	39,476	30,212	29,836	34,553

(a) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period				(Unaudited)	
– Royalty and franchising services . . .	17,982	13,219	11,783	7,857	5,820
– Product sales and others	9,263	4,595	2,662	1,490	2,244
	27,245	17,814	14,445	9,347	8,064

(b) Unsatisfied performance obligations

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the performance obligations relating to sales of fresh foods products not yet satisfied by the Company were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

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The following table shows unsatisfied performance obligations resulting from loyalty programs and long-term franchising agreements:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	13,936	12,371	9,652	10,052
1 year to 2 years	10,236	6,498	6,558	7,962
2 years to 5 years	10,709	8,681	9,251	8,723
	34,881	27,550	25,461	26,737

For other services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(c) *Assets recognised from incremental costs to obtain a contract*

During the Track Record Period, there was no significant incremental costs to obtain a contract.

7 OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Government grants (Note a)	5,562	3,140	1,888	961	819
Miscellaneous income (Note b)	8,943	13,038	11,206	5,712	3,839
Interest income on loans to a related party (Note 37(b))	6,126	2,575	—	—	—
Interest income on loans to a third party	—	5	122	39	84
	20,631	18,758	13,216	6,712	4,742

(a) Government grants mainly represented subsidies obtained from local governments upon fulfilling certain conditions or for engaging in specific industry. There are no unfulfilled conditions or other contingencies attaching to these grants.

(b) For the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the miscellaneous income from franchisees amounted to RMB6,750,000, RMB10,260,000, RMB9,320,000, RMB4,797,000 and RMB3,623,000 respectively. These amounts represent penalties collected by the Group for breaches of franchise agreements. The remaining miscellaneous income consists mainly default penalties from suppliers.

8 OTHER LOSSES – NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Exchange (losses)/gains – net	(3,444)	3,555	(8,677)	(1,117)	(15,546)
Net losses on disposal of property, plant and equipment (Note 34(b))	(157)	(8,793)	(6,590)	(5,152)	(37)
Net (losses)/gains on lease termination and modification (Note a)	(1,952)	4,865	(4,752)	(4,291)	35
Fair value gains on derivative financial instruments	—	—	—	—	1,718
Losses on write-off of input VAT	(3,290)	(12,729)	(15,136)	(2,517)	—
Others	8,555	3,968	2,418	1,092	1,286
	(288)	(9,134)	(32,737)	(11,985)	(12,544)

(a) Net (losses)/gains from early termination and modification of lease agreements represents the (losses)/gains from early termination of lease agreements, losses of non-refundable rental deposit and the compensation for early termination of lease agreements.

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9 FINANCE COSTS – NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Finance income					
Interest income from bank deposits	9,948	13,811	18,085	8,786	6,277
Unwinding of discount from rental deposits	1,281	1,126	684	391	302
	11,229	14,937	18,769	9,177	6,579
Finance costs					
Interest expenses on lease liabilities	(15,463)	(6,816)	(9,011)	(4,991)	(3,591)
Interest expenses on bank borrowings . . .	(10,341)	(10,043)	(14,561)	(7,458)	(6,748)
Unwinding of discount on deposits from franchisees	(4,226)	(4,604)	(3,832)	(2,135)	(2,017)
	(30,030)	(21,463)	(27,404)	(14,584)	(12,356)
Finance costs – net	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)

10 EXPENSES BY NATURE

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Costs of inventories sold or consumed . .	10,248,331	10,259,784	9,799,323	4,480,994	4,389,126
Costs of services provided to franchisees .	8,388	5,991	3,789	1,711	1,614
Employee benefit expenses (<i>Note 11</i>) . . .	563,276	545,015	493,236	258,227	232,518
Share-based payments to employees (<i>Note 27</i>)	18,147	51,735	23,221	8,993	25,929
Outsourced personnel service fee (<i>Note a</i>)	94,716	128,281	115,456	58,257	57,805
Logistics expenses	312,780	292,141	278,020	132,231	133,636
Fees charged by online platforms	25,933	37,137	48,938	20,391	22,967
Legal, professional and consultancy fees .	15,305	11,543	10,057	5,482	5,488
Remuneration for other statutory auditors	357	530	438	297	315
Office expenses	31,457	30,704	26,360	12,650	12,116
Utilities expenses	23,342	22,256	15,786	6,930	7,139
Travelling and entertainment expenses . .	21,922	21,795	19,215	9,327	10,512
Advertising and promotion expenses . . .	24,997	20,665	17,483	7,474	11,435
Net provision/(reversal of) for non-financial assets	1,059	38	(32)	373	–
Depreciation of right-of-use assets (<i>Note 17</i>)	127,812	98,256	84,689	43,926	35,665
Depreciation of property, plant and equipment (<i>Note 16</i>)	48,100	36,452	15,708	9,178	5,128
Amortisation of intangible assets (<i>Note 18</i>)	4,650	4,921	5,020	2,537	2,581
Expense relating to short-term leases (<i>Note 17</i>)	25,221	18,199	16,628	6,867	10,270
[REDACTED]	3,086	16,929	15,672	–	7,777
Others	36,118	40,068	38,215	15,702	24,835
	11,634,997	11,642,440	11,027,222	5,081,547	4,996,856
Representing:					
Cost of sales	10,595,626	10,585,926	10,075,578	4,622,207	4,511,333
Selling and marketing expenses	605,742	607,348	569,275	276,754	286,838
Administrative expenses	414,092	432,738	371,051	176,269	193,350
Research and development expenses	19,537	16,428	11,318	6,317	5,335
	11,634,997	11,642,440	11,027,222	5,081,547	4,996,856

- (a) It represents costs incurred by the Group for human resource companies responsible for outsourced staff working at warehouses and distribution centres.

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11 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Wages and salaries	451,693	423,045	382,162	199,657	182,962
Discretionary bonus	30,541	38,907	26,179	11,596	14,553
Pension costs – defined contribution plan (Note a)	49,364	43,512	41,283	22,042	21,213
Termination benefits	11,565	12,201	24,912	14,904	6,024
Other employee benefits	20,113	27,350	18,700	10,028	7,766
	563,276	545,015	493,236	258,227	232,518

- (a) Employees in the Group’s PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group’s PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Both the Group’s and the employees’ contributions were subject to a monthly cap of HK\$1,500 and thereafter contributions are voluntary.

- (b) **Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group included nil, one, nil, nil and one director for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining five, four, five, five and four individuals for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Basic salaries, other allowances and benefits in kind	7,087	6,603	9,092	4,011	3,439
Discretionary bonus	1,860	1,704	4,933	1,571	1,477
Pension costs – defined contribution plan	116	92	190	91	90
Share-based payments	3,254	10,231	13,286	3,783	2,552
	12,317	18,630	27,501	9,456	7,558

The emoluments fell within the following bands:

	Number of individuals				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Emolument bands (in HK\$)					
HK\$nil to HK\$1,000,000	–	–	–	–	–
HK\$1,000,001 to HK\$1,500,000	–	–	–	–	–
HK\$1,500,001 to HK\$2,000,000	2	–	–	4	3
HK\$2,000,001 to HK\$2,500,000	1	–	–	–	–
HK\$2,500,001 to HK\$3,000,000	–	1	1	–	–
HK\$3,000,001 to HK\$3,500,000	–	–	1	1	1
HK\$3,500,001 to HK\$4,000,000	1	1	1	–	–
HK\$4,000,001 to HK\$4,500,000	1	–	–	–	–
HK\$4,500,001 to HK\$5,000,000	–	1	–	–	–
HK\$6,000,001 to HK\$6,500,000	–	–	1	–	–
HK\$9,000,001 to HK\$9,500,000	–	1	–	–	–
HK\$11,000,001 to HK\$11,500,000	–	–	1	–	–
	5	4	5	5	4

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Accounting policies of employee benefits

(a) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 was enacted in June 2022 which abolishes the use of the accrued benefits of employers’ mandatory contributions under the MPFO to offset severance payment and long service payment (the “Offsetting Arrangement”). The abolishment of the Offsetting Arrangement would increase the state benefits that affect the long service payment payable by the employer. In accordance with the requirement of HKAS 19 Employee benefits, management has re-measured the provision for long service payment to reflect the financial impact of the abolishment of the Offsetting Arrangement. The impact was assessed not material for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

The Group’s contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

12 INTEREST IN SUBSIDIARIES – THE COMPANY

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Investment in subsidiaries	2,024,381	1,755,992	1,755,992	1,755,992
Amounts due from subsidiaries	1,001,112	1,283,363	1,303,712	1,325,809
	3,025,493	3,039,355	3,059,704	3,081,801

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The following is a list of all the subsidiaries as at 31 December 2023, 2024 and 2025 and 30 June 2026 and date of this report:

Company name	Place and date of incorporation/ establishment	Registered/ issued capital	Effective interest of the Group as at 31 December 2023	Effective interest of the Group as at 31 December 2024	Effective interest of the Group as at 31 December 2025	Effective interest of the Group as at 30 June 2026	Effective interest of the Group as at date of this report	Principal activities and place of operation	Note
Directly held:									
Qdama International Investment Holding Ltd.	The BVI, 20 May 2021, limited liability company	US\$0.1	100%	100%	100%	100%	100%	Investment holding, the BVI	(v)
Indirectly held:									
Qdama (Hong Kong) Investment Holding Limited	Hong Kong, 9 June 2021, limited liability company	HK\$10,000	100%	100%	100%	100%	100%	Investment holding, HK	(xi)
錢大媽 (香港) 投資控股有限公司									
Guangzhou Qdama Agricultural Products Co., Ltd.	PRC, 16 May 2014, limited liability company	RMB\$22,316,502	100%	100%	100%	100%	100%	Brand management, PRC	(i), (vi)
廣州市錢大媽農產品有限公司									
Guangzhou Qdama Enterprise Management Consulting Co., Ltd.	PRC, 27 April 2017, limited liability company	RMB1,000,000	100%	100%	100%	100%	N/A	Store operations management and supply chain management, PRC	(i), (vii)
廣州市錢大媽企業管理諮詢有限公司 (Formerly known as Zhongshan Qdama Agricultural Products Co., Ltd.									
中山市錢大媽農產品有限公司)									
Shenzhen Qdama Agricultural Products Co., Ltd.	PRC, 2 December 2013, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (vi)
深圳市錢大媽農產品有限公司									
Qingyuan Qdama Agricultural Products Co., Ltd.	PRC, 19 December 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
清遠市錢大媽農產品有限公司									
Dongguan Qdama Agricultural Products Co., Ltd.	PRC, 12 October 2016, limited liability company	RMB500,000	100%	100%	100%	100%	100%	Store operations and supply chain management, PRC	(i), (ix)
東莞市錢大媽農產品有限公司									
Guangzhou Qdama Fresh Food Chain Co., Ltd. 廣州市錢大媽生鮮食品連鎖有限公司	PRC, 14 September 2018, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Shanghai Qdama Agricultural Products Co., Ltd.	PRC, 22 March 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations and supply chain management, PRC	(i), (v)
上海錢大媽農產品有限公司									
Foshan Qiancunzhang Agricultural Products Co., Ltd.	PRC, 24 January 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
佛山市錢村長農副產品有限公司									
Zhuohai Qiancunzhang Agricultural Products Co., Ltd.	PRC, 3 July 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
珠海市錢村長農產品有限公司									
Guangzhou Qdama Supply Chain Co., Ltd.	PRC, 12 February 2020, limited liability company	RMB10,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (vi)
廣州市錢大媽供應鏈有限公司									

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Company name	Place and date of incorporation/ establishment	Registered/ issued capital	Effective interest of the Group as at 31 December 2023	Effective interest of the Group as at 31 December 2024	Effective interest of the Group as at 31 December 2025	Effective interest of the Group as at 30 June 2026	Effective interest of the Group as at date of this report	Principal activities and place of operation	Note
Guangzhou Caiba Tech Co., Ltd. 廣州市菜吧科技有限公司	PRC, 26 February 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Guangzhou Zhuixian Food Co., Ltd. 廣州市追鮮食品有限公司 (Formerly known as Guangzhou Qdama E-commerce Co., Ltd. 廣州市錢大媽電子商務有限公司)	PRC, 13 August 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Online sales, PRC	(i), (v)
Hong Kong Qdama Fresh Foods Chain Store Co., Limited 香港錢大媽生鮮食品連鎖有限公司	Hong Kong, 27 February 2019, limited liability company	HK\$12,000,000	100%	100%	100%	100%	100%	Store operations management, HK	(xi)
Shenzhen Fresh Food Tech Holding Co., Ltd. 深圳市鮮食科技控股有限公司	PRC, 21 June 2019, limited liability company	RMB5,000,000	51%	51%	71%	71%	71%	Investment holding, PRC	(i), (v), (xii)
Wuhan Qdama Fresh Food Chain Co., Ltd. 武漢市錢大媽生鮮食品連鎖有限公司	PRC, 28 August 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (v)
Changsha Qdama Fresh Food Chain Co., Ltd. 長沙市錢大媽生鮮食品有限公司	PRC, 23 December 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Chengdu Qdama Fresh Supermarket Co., Ltd. 成都市錢大媽生鮮超市有限公司	PRC, 15 January 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (viii)
Chongqing Qdama Agricultural Products Co., Ltd. 重慶市錢大媽農副產品有限公司	PRC, 15 February 2020, limited liability company	RMB8,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Jiangsu Qdama Technology Co., Ltd. 江蘇錢大媽科技有限公司	PRC, 4 June 2020, limited liability company	RMB10,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Chengdu Qdama supply chain Co., Ltd. 成都市錢大媽供應鏈有限公司	PRC, 3 March 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
Chongqing Qdama Supply Chain Co., Ltd. 重慶市錢大媽供應鏈管理有限公司	PRC, 20 February 2020, limited liability company	RMB35,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Changsha Qdama Agricultural Products Co., Ltd. 長沙市錢大媽農產品有限公司	PRC, 28 April 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Hefei Qdama Fresh Food Chain Co., Ltd. 合肥錢大媽生鮮食品有限公司	PRC, 5 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (v)
Hangzhou Qdama Fresh Food Chain Co., Ltd. 杭州錢大媽生鮮食品連鎖有限公司	PRC, 6 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Shanghai Qdama Supply Chain Co., Ltd. 上海錢大媽供應鏈管理有限公司	PRC, 22 January 2021, limited liability company	RMB1,000,000	100%	N/A	N/A	N/A	N/A	Supply chain management, PRC	(i), (ii), (v)

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Nanjing Qdama Fresh Food Chain Co., Ltd. 南京錢大媽生鮮食品有限公司	PRC, 7 December 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain	(i), (v)
Tianjin Qdama Fresh Food Chain Co., Ltd. 天津錢大媽生鮮食品連鎖有限公司	PRC, 15 December 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Xi'an Qdama Fresh Food Chain Co., Ltd. 西安錢大媽生鮮食品連鎖有限公司	PRC, 25 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Zhengzhou Qdama Agricultural Products Co., Ltd. 鄭州錢大媽農產品有限公司	PRC, 31 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Shenzhen Qianxianda Supply Chain Co., Ltd. 深圳市錢鮮達供應鏈有限公司 (Formerly known as Shenzhen Qdama Supply Chain Co., Ltd. 深圳市錢大媽供應鏈有限公司)	PRC, 14 May 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management and investment holding, PRC	(i), (v)
Zhongshan Qdama Supply Chain Co., Ltd. 中山市錢大媽供應鏈管理有限公司	PRC, 2 June 2020, limited liability company	RMB5,000,000	100%	100%	100%	N/A	N/A	Supply chain management, PRC	(i), (v)
Dongguan Qdama Supply Chain Co., Ltd. 東莞市錢大媽供應鏈管理有限公司	PRC, 27 May 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Wuxi Qdama Supply Chain Co., Ltd. 無錫市錢大媽供應鏈有限公司	PRC, 6 July 2020, limited liability company	RMB5,000,000	100%	100%	100%	N/A	N/A	Supply chain management, PRC	(i), (iv), (v)
Shenzhen Qdama Port Management Co., Ltd. 深圳市錢大媽港務管理有限公司	PRC, 10 July 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (ix)
Wuhan Qdama Supply Chain Co., Ltd. 武漢市錢大媽供應鏈有限公司	PRC, 10 June 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Hangzhou Qdama Supply Chain Co., Ltd. 杭州市錢大媽供應鏈有限公司	PRC, 28 October 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Hefei Qdama Supply Chain Co., Ltd. 合肥錢大媽供應鏈有限公司	PRC, 2 November 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Nanjing Qdama Supply Chain Co., Ltd. 南京錢大媽供應鏈有限公司	PRC, 29 March 2021, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Shenzhen Fresh Food Technology Co., Ltd. 深圳鮮食科技有限公司	PRC, 16 April 2018, limited liability company	RMB5,000,000	51%	51%	71%	71%	71%	Sales of fresh fruits, PRC	(i), (v)

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Shanghai Odama Business Management Co., Ltd. 上海錢大媽企業管理有限公司	PRC, 25 June 2021, limited liability company	RMB100,000	100%	100%	N/A	N/A	N/A	Business management, PRC	(i), (iii), (v)
Guangzhou Qinghe Zhiyun Technology Co., Ltd. 廣州青禾智雲科技有限公司 (Formerly known as Guangzhou Odama Information Technology Company Limited 廣州市錢大媽信息科技有限公司)	PRC, 23 May 2022, limited liability company	RMB15,000,000	100%	100%	100%	100%	100%	Software development and data processing, PRC	(i), (x)
Cadeia de Lojas de Alimentos Frescos de Macau Odama, Sociedade Unipessoal Limitada 澳門錢大媽生鮮食品連鎖一人有限公司	Macau, 7 July 2021, limited liability company	MOP25,000	100%	100%	100%	100%	100%	Store operations management, the Macau	(v)
Guangdong Qiantu Investment Holdings Co., Ltd. 廣東錢途投資控股有限公司	PRC, 27 May 2024, limited liability company	RMB10,000,000	N/A	100%	100%	100%	100%	Investment holding, PRC	(i), (v)
Hainan Qianxianda Agricultural Products Co., Ltd. 海南錢鮮達農產品有限公司	PRC, 17 April 2026, limited liability company	RMB1,000,000	N/A	N/A	N/A	100%	100%	Sales of fresh product, PRC	(i), (v)
(i) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have official English names.									
(ii) The subsidiaries were dissolved during the year ended 31 December 2024.									
(iii) The subsidiaries were dissolved during the year ended 31 December 2025.									
(iv) The subsidiaries were dissolved during the six months ended 30 June 2026.									
(v) No audited statutory financial statements of the subsidiaries were issued.									
(vi) The statutory financial statements of the subsidiaries for the years ended 31 December 2023, 2024 and 2025 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司).									
(vii) The statutory financial statements of the subsidiary for the year ended 31 December 2023 and 2024 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statement was issued for the year ended 31 December 2025. The subsidiary was dissolved on 23 July 2026.									
(viii) The statutory financial statements of the subsidiary for the year ended 31 December 2023 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statements were issued for the year ended 31 December 2024 and 2025.									
(ix) The statutory financial statements of the subsidiaries for the year ended 31 December 2024 and 2025 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statement was issued for the year ended 31 December 2023.									
(x) The statutory financial statements of the subsidiary for the years ended 31 December 2023, 2024 and 2025 were audited by Guangdong Zhongguangrun Certified Public Accountants (General Partnership) (廣東中海粵會計師事務所(普通合夥)).									
(xi) The statutory financial statements of the subsidiaries for the years ended 31 December 2023, 2024 and 2025 were audited by D & Partners Certified Public Accountants (德博會計師事務所).									
(xii) On 29 September 2025, the Group further acquired 20% equity interest in Shenzhen Fresh Food Tech Holding Co., Ltd. (“Shenzhen Fresh Food”) at a consideration of RMB1,819,000. Shenzhen Fresh Food is an investment holding company in the PRC. Non-controlling interest amounting to RMB777,000 was derecognised.									
All companies now comprising the Group have adopted 31 December as their financial year end date.									

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13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current asset				
[REDACTED] equity securities	5,000	8,000	8,000	8,000
	5,000	8,000	8,000	8,000

The movement of equity investments at fair value through other comprehensive income (“FVOCI”) is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
At the beginning of the year/period	—	5,000	8,000	8,000	8,000
Addition (Note a)	5,000	3,000	—	—	—
At the end of the year/period	5,000	8,000	8,000	8,000	8,000

- (a) On 10 April 2023, the Group acquired a 5% interest in Guangzhou Jinfeng Meat Union Food Co., Ltd, a limited liability company incorporated in the PRC, at a consideration of RMB5,000,000.

On 28 August 2024, the Group acquired a 10% interest of Guangzhou Qianxiansheng Supply Chain Technology Co., Ltd, a limited liability company incorporated in the PRC, at a consideration of RMB3,000,000.

14 INCOME TAX EXPENSES

(a) Cayman Islands income tax

The Cayman Islands currently levy no taxes on corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for certain stamp duties that may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

(b) British Virgin Islands income tax

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains.

(c) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits of the Group’s entities incorporated in Hong Kong for each of the Track Record Period.

The provision for Hong Kong profits tax for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 are calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(d) Macau profits tax

Macau profits tax has been provided for at the rate of 12% on the estimated assessable profits of the Group’s entities incorporated in Macau for the Track Record Period.

(e) PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the Track Record Period.

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The income tax expense of the Group is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current income tax	22,022	21,721	30,551	16,782	9,857
Deferred income tax (<i>Note 30</i>)	(7,061)	2,746	183	2,591	4,699
	14,961	24,467	30,734	19,373	14,556

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6 June 2025 and the rules take effect from 1 January 2025. The Group’s major operating region is in PRC, the PRC government have not substantively enacted the legislation on Pillar Two as of the date of approval of these financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions that the Group has operations and no material exposure was identified or recognised during the year ended 31 December 2025 and the six months ended 30 June 2026.

The tax on the Group’s profit/(loss) before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, being the tax rate of the major subsidiaries of the Group. The difference is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Profit/(loss) before income tax	183,524	312,856	(247,903)	195,423	82,607
Tax calculated at PRC statutory income tax rate of 25%	45,881	78,214	(61,976)	48,856	20,652
Tax effects of:					
– Expenses not deductible for tax purposes	7,554	5,269	7,335	4,075	5,232
– Temporary differences not recognised . .	144	8,251	18	4,225	145
– Tax losses not recognised.	36,894	8,931	123,222	67,054	5,525
– Recognition of tax losses previously not recognised	–	(3,279)	(2,700)	(600)	(409)
– Utilization of tax losses previously not recognised	(37,118)	(24,445)	(36,292)	(18,277)	(19,543)
– Different tax rates applicable to different subsidiaries of the Group . .	(24,900)	(51,680)	126,948	(26,325)	2,599
– Super deduction for research and development expenses	(560)	(572)	(1,531)	(780)	(800)
– Preferential income tax rates applicable to subsidiaries	(12,934)	3,778	(124,290)	(58,855)	1,155
Total income tax expenses	14,961	24,467	30,734	19,373	14,556

Accounting policies of current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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15 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated on the profit/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding (excluding the ordinary shares held by the Group under the Share option schemes) during the respective year/period.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Profit/(loss) attributable to owners of the Company (<i>RMB'000</i>)	168,867	288,438	(278,810)	175,993	68,129
Weighted average number of ordinary shares in issue (thousand shares)	980,978	958,739	1,115,571	941,079	1,494,904
Basic earnings/(loss) per share (expressed in RMB cents)	17.21	30.09	(24.99)	18.70	4.56

(b) Diluted earnings/(loss) per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Company had convertible redeemable preferred shares, warrants, and share options that could potentially dilute earnings/(loss) per share.

Convertible redeemable preferred shares and warrants issued before the Track Record Period are considered to be potential ordinary shares and have been included in the determination of diluted earnings/(loss) per share start from the year. The CRPS and warrants have not been included in the determination of basic earnings per share.

The share options under the share option scheme have no dilutive impact on the diluted earnings/(loss) per share as they are considered as contingently issuable shares and the condition was not satisfied as at 31 December 2023, 2024 and 2025 and 30 June 2025 and 2026.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Profit/(loss) attributable to owners of the Company (<i>RMB'000</i>)	168,867	288,438	(278,810)	175,993	68,129
Less: fair value change of convertible redeemable preferred shares	(73,418)	(163,847)	(419,052)	(99,674)	(5,061)
Profit/(loss) used in calculating diluted earnings per share	95,449	124,591	(697,862)	76,319	63,068
Weighted average number of ordinary shares in issue (thousand shares)	980,978	958,739	1,115,571	941,079	1,494,904
Dilutive effect of convertible redeemable preferred shares and warrants (thousand shares)	651,758	647,840	646,091	581,313	581,313
Weighted average number of ordinary shares used in the diluted earnings per share calculation (thousand shares) . . .	1,632,736	1,606,579	1,761,662	1,522,392	2,076,217
Diluted earnings/(loss) per share (expressed in RMB cents)	5.85	7.76	(39.61)	5.01	3.04

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16 PROPERTY, PLANT AND EQUIPMENT

	Furniture and electronic equipment	Fixtures and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023					
Cost	40,595	71,868	193,925	543	306,931
Accumulated depreciation and impairment	(26,919)	(31,920)	(127,250)	–	(186,089)
Net book amount	13,676	39,948	66,675	543	120,842
Year ended 31 December 2023					
Opening net book amount	13,676	39,948	66,675	543	120,842
Additions	3,149	3,229	8,473	2,534	17,385
Transfers	–	–	1,718	(1,718)	–
Disposals	(1,270)	(1,621)	(2,555)	(991)	(6,437)
Depreciation	(7,456)	(11,026)	(29,618)	–	(48,100)
Impairment	(54)	(170)	(239)	–	(463)
Exchange differences	(8)	(65)	(231)	–	(304)
Closing net book amount	8,037	30,295	44,223	368	82,923
As at 31 December 2023					
Cost	38,713	69,837	187,560	368	296,478
Accumulated depreciation and impairment	(30,676)	(39,542)	(143,337)	–	(213,555)
Net book amount	8,037	30,295	44,223	368	82,923
Year ended 31 December 2024					
Opening net book amount	8,037	30,295	44,223	368	82,923
Additions	1,797	3,625	4,684	1,535	11,641
Transfers	–	–	904	(904)	–
Disposals	(723)	(4,951)	(9,165)	–	(14,839)
Depreciation	(5,060)	(9,900)	(21,492)	–	(36,452)
Reversal of impairment	4	39	85	–	128
Exchange differences	10	8	34	–	52
Closing net book amount	4,065	19,116	19,273	999	43,453
As at 31 December 2024					
Cost	37,440	61,992	173,088	999	273,519
Accumulated depreciation and impairment	(33,375)	(42,876)	(153,815)	–	(230,066)
Net book amount	4,065	19,116	19,273	999	43,453
Year ended 31 December 2025					
Opening net book amount	4,065	19,116	19,273	999	43,453
Additions	1,912	5,200	3,926	238	11,276
Transfers	–	–	1,237	(1,237)	–
Disposals	(1,072)	(3,237)	(7,150)	–	(11,459)
Depreciation	(2,504)	(1,767)	(11,437)	–	(15,708)
Reversal of impairment	7	1	24	–	32
Exchange differences	(9)	(9)	(28)	–	(46)
Closing net book amount	2,399	19,304	5,845	–	27,548
As at 31 December 2025					
Cost	34,040	57,505	159,434	–	250,979
Accumulated depreciation and impairment	(31,641)	(38,201)	(153,589)	–	(223,431)
Net book amount	2,399	19,304	5,845	–	27,548
Six months ended 30 June 2025 (Unaudited)					
Opening net book amount	4,065	19,116	19,273	999	43,453
Additions	683	3,170	1,675	238	5,766
Transfers	–	–	1,108	(1,108)	–
Disposals	(265)	(2,262)	(5,729)	–	(8,256)
Depreciation	(1,130)	(2,568)	(5,480)	–	(9,178)
Impairment	(211)	(15)	(147)	–	(373)
Exchange differences	(3)	(6)	(25)	–	(34)
Closing net book amount	3,139	17,435	10,675	129	31,378

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	Furniture and electronic equipment	Fixtures and equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 June 2025 (Unaudited)					
Cost	36,663	60,612	165,361	129	262,765
Accumulated depreciation and impairment	(33,524)	(43,177)	(154,686)	–	(231,387)
Net book amount	3,139	17,435	10,675	129	31,378
Six months ended 30 June 2026					
Opening net book amount	2,399	19,304	5,845	–	27,548
Additions	674	3,725	3,562	–	7,961
Disposals	(28)	(46)	(188)	–	(262)
Depreciation	(839)	(2,455)	(1,834)	–	(5,128)
Exchange differences	(13)	(11)	(40)	–	(64)
Closing net book amount	2,193	20,517	7,345	–	30,055
As at 30 June 2026					
Cost	34,159	60,367	164,926	–	259,452
Accumulated depreciation and impairment	(31,966)	(39,850)	(157,581)	–	(229,397)
Net book amount	2,193	20,517	7,345	–	30,055

Depreciation expenses were charged to the following categories in the consolidated statements of comprehensive income:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Cost of sales	29,815	26,045	10,335	6,270	2,674
Selling and marketing expenses	11,110	6,003	3,866	2,026	1,680
Administrative expenses	7,175	4,404	1,507	882	774
	48,100	36,452	15,708	9,178	5,128

No property, plant and equipment is pledged as security for bank borrowings as at 31 December 2023, 2024 and 2025 and 30 June 2026.

Depreciation methods and useful lives

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item would probably flow to the Group and the cost of the item could be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over the shorter of their estimated useful lives or, in case of leasehold improvements, the lease term, as follows:

- Furniture and electronic equipment 3 – 5 years
- Fixtures and equipment 3 – 10 years
- Leasehold improvements Shorter of estimated useful lives or lease terms

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the [REDACTED] with the carrying amount and are recognised within “other losses – net” in the consolidated statements of comprehensive income.

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No depreciation is provided for assets under construction. The carrying amount of an asset under construction is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

17 LEASE

(a) Amounts recognised in the consolidated statements of financial position

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Right-of-use assets				
– Leased premises	197,523	146,451	212,834	229,813
– Leased equipments	2,987	2,280	385	388
	<u>200,510</u>	<u>148,731</u>	<u>213,219</u>	<u>230,201</u>
Lease liabilities				
– Current	95,576	67,493	60,886	60,377
– Non-current	119,596	76,996	149,938	162,902
	<u>215,172</u>	<u>144,489</u>	<u>210,824</u>	<u>223,279</u>

Additions to the right-of-use assets for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB86,000,000, RMB113,077,000, RMB258,060,000, RMB186,087,000 and RMB62,094,000 respectively.

The Group performed impairment assessment for its non-financial assets, including the right-of-use assets, property and equipment and intangible assets, when events or changes in circumstances indicated that the related asset values may not be recoverable. The carrying value of related assets were supported by recoverable amounts which were calculated for the CGUs to which these assets belong using the value in use (“VIU”) model. Impairment provision would be made if the carrying amounts exceeded the recoverable amounts of the respective CGUs. The impairment provision made for right-of-use assets amounted to RMB596,000, RMB166,000, nil, nil and nil for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

(b) Amounts recognised in the consolidated statements of comprehensive income

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of right-of-use assets (Note 10)	127,812	98,256	84,689	43,926	35,665
Provision for impairment losses on right-of-use assets	596	166	–	–	–
Interest expenses on lease liabilities (Note 9)	15,463	6,816	9,011	4,991	3,591
Short-term lease expense and related rental expenses (Note 10)	25,221	18,199	16,628	6,867	10,270
Net losses/(gains) on lease termination and modification (Note 8)	1,952	(4,865)	4,752	4,291	35

The total cash outflow for leases for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB165,912,000, RMB121,961,000, RMB92,573,000, RMB46,005,000 and RMB52,483,000 respectively.

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(c) The Group’s leasing activities and how these are accounted for

The Group leases various properties, including warehouses and stores. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security of borrowing purpose.

Leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

18 INTANGIBLE ASSETS

	Software
	<i>RMB’000</i>
As at 1 January 2023	
Cost	41,663
Accumulated amortisation	(10,430)
Net book amount	31,233
Year ended 31 December 2023	
Opening net book amount	31,233
Additions	6,642
Amortisation	(4,650)
Closing net book amount	33,225
As at 31 December 2023	
Cost	48,305
Accumulated amortisation	(15,080)
Net book amount	33,225

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	Software
	<i>RMB’000</i>
Year ended 31 December 2024	
Opening net book amount	33,225
Additions	2,398
Amortisation	(4,921)
Exchange difference	4
Closing net book amount	30,706
As at 31 December 2024	
Cost	50,707
Accumulated amortisation	(20,001)
Net book amount	30,706
Year ended 31 December 2025	
Opening net book amount	30,706
Additions	803
Amortisation	(5,020)
Exchange difference	(8)
Closing net book amount	26,481
As at 31 December 2025	
Cost	51,722
Accumulated amortisation	(25,241)
Net book amount	26,481
Six months ended 30 June 2025 (Unaudited)	
Opening net book amount	30,706
Additions	341
Amortisation	(2,537)
Exchange difference	(5)
Closing net book amount	28,505
As at 30 June 2025 (Unaudited)	
Cost	51,044
Accumulated amortisation	(22,539)
Net book amount	28,505
Six months ended 30 June 2026	
Opening net book amount	26,481
Additions	332
Amortisation	(2,581)
Exchange difference	(10)
Closing net book amount	24,222
As at 30 June 2026	
Cost	52,041
Accumulated amortisation	(27,819)
Net book amount	24,222

Amortisation of intangible assets has been charged to administrative expenses in the consolidated statements of comprehensive income.

Accounting policies of intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are amortised over their estimated useful lives of 10 years based on contractual period.

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19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost				
Trade receivables (<i>Note 21</i>)	6,791	2,568	2,771	5,032
Deposits and other receivables (excluding prepayments) (<i>Note 22</i>)	115,008	45,496	34,438	34,516
Restricted cash (<i>Note 23</i>)	282,288	290,242	146,939	140,215
Cash and cash equivalents (<i>Note 23</i>)	714,243	775,358	1,253,296	1,258,179
	<u>1,118,330</u>	<u>1,113,664</u>	<u>1,437,444</u>	<u>1,437,942</u>
Financial assets at fair value				
Financial assets at FVOCI (<i>Note 13</i>)	5,000	8,000	8,000	8,000
Derivative financial instruments (<i>Note 32</i>)	—	—	—	1,718
	<u>5,000</u>	<u>8,000</u>	<u>8,000</u>	<u>9,718</u>
Financial liabilities at amortised cost				
Trade payables (<i>Note 28</i>)	904,150	750,045	814,431	767,262
Accruals and other payables (excluding accrued payroll and other taxes payables) (<i>Note 29</i>)	371,105	349,841	336,470	326,146
Borrowings (<i>Note 31</i>)	390,674	519,945	517,316	490,208
Lease liabilities (<i>Note 17</i>)	215,172	144,489	210,824	223,279
	<u>1,881,101</u>	<u>1,764,320</u>	<u>1,879,041</u>	<u>1,806,895</u>
Financial liabilities at fair value				
Convertible redeemable preferred shares (<i>Note 26</i>)	2,292,653	2,094,867	1,666,704	1,641,427
	<u>2,292,653</u>	<u>2,094,867</u>	<u>1,666,704</u>	<u>1,641,427</u>

Accounting policies of financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “finance costs-net” together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in finance costs-net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in “finance costs-net” and impairment expenses are presented as separate line item in the consolidated statements of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net in profit or loss within “other (losses)/gains”, net in the period in which it arises.

(d) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

(e) *Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.2 details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

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20 INVENTORIES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Products	27,001	32,119	31,218	29,303
Consumables	6,955	5,219	6,673	7,722
	33,956	37,338	37,891	37,025

Inventories of approximately RMB10,248,331,000, RMB10,259,784,000, RMB9,799,323,000, RMB4,480,994,000 and RMB4,389,126,000 were recognised as cost of sales during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

There was no provision of inventories during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Accounting policies of inventories

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

21 TRADE RECEIVABLES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables (<i>Note a</i>)	8,655	2,960	3,090	5,450
Less: allowance for impairment	(1,864)	(392)	(319)	(418)
	6,791	2,568	2,771	5,032

The directors of the Group considered that the carrying amounts of the trade receivables balances approximated their fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026.

- (a) Trade receivables were mainly from the franchisees. The franchisees were required to settle the payment with the Group on “T+1” basis. No credit terms were granted to franchisees. Ageing analysis based on invoice date of the trade receivables at the respective balance sheet dates is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 month	6,290	2,644	2,519	4,129
1 to 3 months	671	77	440	1,054
3 to 6 months	678	—	31	78
6 to 12 months	293	10	33	132
Over 1 year	723	229	67	57
	8,655	2,960	3,090	5,450

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2023, 2024 and 2025 and 30 June 2026, provision of approximately RMB1,864,000, RMB392,000, RMB319,000 and RMB418,000 was made against the gross amounts of trade receivables (Note 3.1.2), respectively.

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- (b) The carrying amounts of the Group’s trade receivables, net of loss allowance, were denominated in the following currencies:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	4,222	1,675	1,783	3,925
HK\$	2,569	865	925	1,085
MOP	–	28	63	22
	6,791	2,568	2,771	5,032

- (c) The maximum exposure to credit risk as at 31 December 2023, 2024 and 2025 and 30 June 2026 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

Accounting policies of trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1.2 for a description of the Group’s impairment policies.

22 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Rental deposits	28,901	22,651	13,600	13,357
Prepayment for purchase of property, plant and equipment and intangible assets	783	289	1,152	296
Loan to a third party (<i>Note a</i>)	–	2,505	3,893	3,978
Other prepayments (<i>Note b</i>)	13	2,697	5,800	7,001
	29,697	28,142	24,445	24,632
Less: allowance for impairment	(574)	(463)	(234)	(288)
	29,123	27,679	24,211	24,344
Current assets				
Value added tax recoverable	138,246	123,235	112,030	117,552
Rental deposits	14,741	18,234	11,197	11,585
Prepayment to suppliers	3,668	7,013	13,895	3,408
Prepaid [REDACTED]	583	4,719	8,471	12,906
Amounts due from a related party (<i>Note 37(c)</i>)	69,971	–	–	–
Prepaid expenses	11,170	18,376	10,192	15,121
Others	5,234	5,970	9,117	9,191
	243,613	177,547	164,902	169,763
Less: allowance for impairment	(3,265)	(3,400)	(3,135)	(3,307)
	240,348	174,147	161,767	166,456
Total	269,471	201,826	185,978	190,800

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- (a) The balance of loan to a third party was unsecured, with an effective annual interest rate of 4.54% and are not due for repayment within 12 months.
- (b) Other prepayments represent subsidies to certain franchisees for pre-opening support services provided to the franchisees. The subsidies were recognised on a straight-line basis over the expected life cycle, aligns with the franchisee’s access to the franchise rights.

The carrying amounts of the Group’s deposits, prepayments and other receivables, net of loss allowance, were denominated in the following currencies:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	264,323	194,940	179,094	184,544
HK\$	4,720	6,200	6,242	5,418
MOP	428	686	642	838
	<u>269,471</u>	<u>201,826</u>	<u>185,978</u>	<u>190,800</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Included in current assets				
Prepaid [REDACTED]	583	4,719	8,471	12,906
Prepaid expenses	–	–	–	1,411
	<u>583</u>	<u>4,719</u>	<u>8,471</u>	<u>14,317</u>

Accounting policies of other receivables

If collection of other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. See Note 3.1.2 for a description of the Group’s impairment policies.

23 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash on hand	302	100	87	131
Cash at banks	996,229	1,065,500	1,400,148	1,398,263
	<u>996,531</u>	<u>1,065,600</u>	<u>1,400,235</u>	<u>1,398,394</u>
Less: Restricted cash (<i>Note a</i>)	(282,288)	(290,242)	(146,939)	(140,215)
	<u>714,243</u>	<u>775,358</u>	<u>1,253,296</u>	<u>1,258,179</u>

- (a) As at 31 December 2023, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB141,654,000 that are restricted in use for certain banking arrangement of the Group (Note 31(a)), (ii) guaranteed deposits amounted to RMB130,000,000 that are issuing bank acceptance bills, (iii) the restricted deposits amounted to RMB8,073,000 for freeze of property protection of certain litigation cases which was adjudicated after year end, (iv) the restricted deposits amounted to RMB1,000,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC, (v) other restricted deposits represented the frozen bank account as the process of changing seals not completed.

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As at 31 December 2024, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB143,768,000 that are restricted in use for certain banking arrangement of the Group (Note 31(a)), (ii) guaranteed deposits amounted to RMB141,660,000 that are issuing bank acceptance bills, (iii) the restricted deposits amounted to RMB3,719,000 for freeze of property protection of certain litigation cases which was adjudicated after year end, (iv) the restricted deposits amounted to RMB1,005,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC, (v) other restricted deposits represented the frozen bank account as the process of changing seals not completed.

As at 31 December 2025, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB140,575,000 that are restricted in use for certain banking arrangement of the Group, (ii) the restricted deposits amounted RMB5,354,000 represented the frozen bank account due to pending litigation, (iii) the restricted deposits amounted to RMB1,010,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC.

As at 30 June 2026, the restricted cash mainly comprised (i) the restricted deposits held in designated bank accounts as security deposits for derivative financial instruments, RMB67,631,000 are denominated in HK\$ and RMB67,196,000 are denominated in Japanese Yen (“JPY”), (ii) guaranteed deposits amounted to RMB498,000 that are restricted in accordance with the transaction agreement signed with the government, (iii) the restricted deposits amounted RMB3,880,000 represented the frozen bank account due to pending litigation, (iv) the restricted deposits amounted to RMB1,010,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks	301	1,594	274	1,248
	<u>301</u>	<u>1,594</u>	<u>274</u>	<u>1,248</u>

- (b) Cash and cash equivalents and restricted cash were denominated in the following currencies:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	738,310	651,014	882,427	971,656
US\$	203,851	371,013	404,653	260,035
HK\$	53,756	38,832	109,686	94,762
JPY	—	—	—	67,196
MOP	614	4,741	3,469	4,745
	<u>996,531</u>	<u>1,065,600</u>	<u>1,400,235</u>	<u>1,398,394</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	50	5	44	6
US\$	251	1,589	230	1,242
	<u>301</u>	<u>1,594</u>	<u>274</u>	<u>1,248</u>

Funds of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 of RMB855,227,000, RMB924,060,000, RMB1,110,368,000 and RMB1,207,167,000 are kept in the bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

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Accounting policies of cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash in hand, cash at bank, short-term deposit with initial terms within three months and cash held in accounts managed by online payment platform that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

24 SHARE CAPITAL

The Group and the Company

	Number of shares	Par value US\$	Nominal value of shares US\$'000	Equivalent nominal value of shares RMB'000
Authorised:				
As at 31 December 2023, 2024 and 2025 and 30 June 2026	5,000,000,000	0.00001	50	321
Issued and fully paid:				
As at 1 January 2023	1,172,797,000	0.00001	11	72
Cancellation of treasury shares in 2023 (<i>Note a</i>)	(5,276,935)	0.00001	*	*
As at 31 December 2023	1,167,520,065	0.00001	11	72
Cancellation of treasury shares in 2024 (<i>Note b</i>)	(39,899,441)	0.00001	*	(3)
As at 31 December 2024	1,127,620,624	0.00001	11	69
Issuance of shares (<i>Note c</i>)	618,917,203	0.00001	6	44
As at 31 December 2025 and 30 June 2026	1,746,537,827	0.00001	17	113

* The amount is less than US\$/RMB1,000.

- (a) On 10 April 2023, the Company cancelled 5,276,935 shares held by Qdama Talent Holding Limited.
- (b) On 11 June 2024, the Company repurchased 39,899,441 ordinary shares held by Mr. Feng in the consideration of RMB110,000,000.
- (c) On 8 September 2025, the Company issued 618,917,203 new ordinary shares to holders of convertible redeemable preferred shares as consideration for amending certain clauses in the convertible redeemable preferred shares agreement. These amendments primarily postponed the redemption commencement date from 1 January 2026 to 1 January 2027 and adjusted the calculation of ordinary shares available in relation to preemptive right, right of first refusal holder and co-sale rights. The related modification was accounted for in accordance with HKFRS 2, and the fair value of the newly issued ordinary shares at the grant date amounting to RMB954,563,000 was recognised as expenses in profit or loss. Please refer to Note 27 for the relevant accounting policies.

Accounting policies of share capital

Ordinary shares are classified as equity. Convertible redeemable preferred shares are classified as liabilities.

Incremental costs directly attributable to the [REDACTED] or options are shown in equity as a deduction, net of tax, from the [REDACTED].

Where any group company purchases the Company’s equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

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25 OTHER RESERVES AND RETAINED EARNINGS

The Group

	Statutory reserves	Share premium	Share-based compensation	Currency translation differences	Treasury shares	Other reserves	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	9,462	1,068	37,672	929	(159)	(5,357)	43,615
Appropriation of statutory reserves . . .	1,461	–	–	–	–	–	1,461
Fair value gains of convertible redeemable preferred shares due to own credit risk (Note 26)	–	–	–	–	–	41,657	41,657
Share-based payment to employees (Note 27)	–	–	18,147	–	–	–	18,147
Currency translation differences	–	–	–	(2)	–	–	(2)
Balance at 31 December 2023	10,923	1,068	55,819	927	(159)	36,300	104,878
Balance at 1 January 2024	10,923	1,068	55,819	927	(159)	36,300	104,878
Appropriation of statutory reserves . . .	818	–	–	–	–	–	818
Repurchases of ordinary shares (Note 24)	–	–	–	–	(110,000)	–	(110,000)
Cancellation of treasury shares (Note 24)	–	–	–	–	3	–	3
Fair value gains of convertible redeemable preferred shares due to own credit risk (Note 26)	–	–	–	–	–	3,939	3,939
Share-based payment to employees (Note 27)	–	–	51,735	–	–	–	51,735
Currency translation differences	–	–	–	435	–	–	435
Balance at 31 December 2024	11,741	1,068	107,554	1,362	(110,156)	40,239	51,808
Balance at 1 January 2025	11,741	1,068	107,554	1,362	(110,156)	40,239	51,808
Appropriation of statutory reserves . . .	2,488	–	–	–	–	–	2,488
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	9,111	9,111
Share-based payment to employees (Note 27)	–	–	23,221	–	–	–	23,221
Acquisition of ownership interests in a subsidiary without change in control . .	–	–	–	–	–	(11,042)	(11,042)
Issuance of shares (note 24(c))	–	–	–	–	–	954,519	954,519
Derecognition of subsidiaries	(1,101)	–	–	–	–	–	(1,101)
Currency translation differences	–	–	–	(1,233)	–	–	(1,233)
Balance at 31 December 2025	13,128	1,068	130,775	129	(110,156)	992,827	1,027,771
(Unaudited)							
Balance at 1 January 2025	11,741	1,068	107,554	1,362	(110,156)	40,239	51,808
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	74,696	74,696
Share-based payment to employees (Note 27)	–	–	8,993	–	–	–	8,993
Currency translation differences	–	–	–	(639)	–	–	(639)
Balance at 30 June 2025	11,741	1,068	116,547	723	(110,156)	114,935	134,858
Balance at 1 January 2026	13,128	1,068	130,775	129	(110,156)	992,827	1,027,771
Appropriation of statutory reserves . . .	–	–	–	–	–	27,262	27,262
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	–	–
Share-based payment to employees (Note 27)	–	–	25,929	–	–	–	25,929
Derecognition of subsidiaries	(2,146)	–	–	–	–	–	(2,146)
Currency translation differences	–	–	–	(2,472)	–	–	(2,472)
Balance at 30 June 2026	10,982	1,068	156,704	(2,343)	(110,156)	1,020,089	1,076,344

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	Share premium	Other reserves	Total reserves	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	1,068	110,795	111,863	416,791	528,654
Profit for the year	–	–	–	85,255	85,255
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	41,657	41,657	–	41,657
Share-based payment to employees (<i>Note 27</i>)	–	18,147	18,147	–	18,147
Balance at 31 December 2023	1,068	170,599	171,667	502,046	673,713
Balance at 1 January 2024	1,068	170,599	171,667	502,046	673,713
Profit for the year	–	–	–	142,604	142,604
Repurchases of ordinary shares	–	(110,000)	(110,000)	–	(110,000)
Cancellation of treasury shares	–	3	3	–	3
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	3,939	3,939	–	3,939
Share-based payment to employees (<i>Note 27</i>)	–	51,735	51,735	–	51,735
Balance at 31 December 2024	1,068	116,276	117,344	644,650	761,994
Balance at 1 January 2025	1,068	116,276	117,344	644,650	761,994
Loss for the year	–	–	–	(553,419)	(553,419)
Issuance of shares	–	954,519	954,519	–	954,519
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	9,111	9,111	–	9,111
Share-based payment to employees (<i>Note 27</i>)	–	23,221	23,221	–	23,221
Balance at 31 December 2025	1,068	1,103,127	1,104,195	91,231	1,195,426
(Unaudited)					
Balance at 1 January 2025	1,068	116,276	117,344	644,650	761,994
Profit for the period	–	–	–	82,898	82,898
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	74,696	74,696	–	74,696
Share-based payment to employees (<i>Note 27</i>)	–	8,993	8,993	–	8,993
Balance at 30 June 2025	1,068	199,965	201,033	727,548	928,581
Balance at 1 January 2026	1,068	1,103,127	1,104,195	91,231	1,195,426
Loss for the period	–	–	–	(8,751)	(8,751)
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	27,262	27,262	–	27,262
Share-based payment to employees (<i>Note 27</i>)	–	25,929	25,929	–	25,929
Balance at 30 June 2026	1,068	1,156,318	1,157,386	82,480	1,239,866

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26 CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group and the Company

The movements of the convertible redeemable preferred shares and warrants are set out as follows:

	Convertible redeemable preferred shares and warrants
	<i>RMB'000</i>
Balance at 1 January 2023	2,407,728
Change in fair value through profit or loss (<i>Note (iii)</i>)	(73,418)
Change in fair value due to own credit risk recognised in other comprehensive income	(41,657)
Balance at 31 December 2023	2,292,653
Balance at 1 January 2024	2,292,653
Settlement of warrants (<i>Note (ii)</i>)	(30,000)
Change in fair value through profit or loss (<i>Note (iii)</i>)	(163,847)
Change in fair value due to own credit risk recognised in other comprehensive income	(3,939)
Balance at 31 December 2024	2,094,867
Balance at 1 January 2025	2,094,867
Change in fair value through profit or loss (<i>Note (iii)</i>)	(419,052)
Change in fair value due to own credit risk recognised in other comprehensive income	(9,111)
Balance at 31 December 2025	1,666,704
(Unaudited)	
Balance at 1 January 2025	2,094,867
Change in fair value through profit or loss (<i>Note (iii)</i>)	(84,972)
Change in fair value due to own credit risk recognised in other comprehensive income.	(74,696)
Balance at 30 June 2025	1,935,199
Balance at 1 January 2026	1,666,704
Change in fair value through profit or loss (<i>Note (iii)</i>)	1,985
Change in fair value due to own credit risk recognised in other comprehensive income.	(27,262)
Balance at 30 June 2026	1,641,427

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The particulars of the convertible redeemable preferred shares issuance are set out in the table below:

Series	Date of issuance/effective date	Exercise period	Number of shares	Exercise price per convertible redeemable preferred shares
Series A CRPS of Guangzhou Qdama/Series A CRPS of the Company .	17 April 2015/ 26 January 2022	N/A	Preferred shares: 64,778,000 (note i)	N/A
Series B CRPS of Guangzhou Qdama/Series B CRPS of the Company .	13 April 2017/ 26 January 2022	N/A	Preferred shares: 125,186,670 (note i)	N/A
Series B+ CRPS of Guangzhou Qdama/Series B+ CRPS of the Company	8 November 2017/ 26 January 2022	N/A	Preferred shares: 39,321,330 (note i)	N/A
Series C CRPS of Guangzhou Qdama/Series C CRPS of the Company .	3 May 2018/ 26 January 2022	N/A	Preferred shares: 131,886,000 (note i)	N/A
Series D CRPS of Guangzhou Qdama/Series D CRPS of the Company .	26 November 2019/ 26 January 2022	N/A	Preferred shares: 113,349,000 (note i)	N/A
Series Pre-A CRPS of Guangzhou Qdama/Series Pre-A CRPS of the Company	26 November 2019/ 26 January 2022	N/A	Preferred shares: 10,495,000 (note i)	N/A
Series E CRPS of the Company	26 January 2022	N/A	Preferred shares: 116,038,169 (note ii)	N/A
Series E warrants of the Company (note (ii))	26 January 2022	From 26 January 2022 to 31 March 2024	Warrants to subscribe for preferred shares: 50,704,131	US\$0.84
Series E CRPS conversion . .	25 March 2024	N/A	Preferred shares: 45,036,724	N/A

Note (i)

In April 2015, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series A Investment**”), pursuant to which the investors made a total investment of RMB13,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB111,111. The Series A Investment was completed in May 2015.

In April 2017, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series B Investment**”), pursuant to which the investors made a total investment of RMB60,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB137,174. The Series B Investment was completed in July 2017.

In November 2017, Guangzhou Qdama further entered into an investment agreement with an independent investor (the “**Series B+ Investment**”), pursuant to which the investor made a total investment of RMB25,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB39,317. The Series B+ Investment was completed in November 2017.

In May 2018, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series C Investment**”), pursuant to which the investors made a total investment of RMB175,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB74,941. The Series C Investments was completed in May 2018.

In November 2019, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series D Investment**”), pursuant to which the investors made a total investment of RMB600,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB113,349. At the same time, Guangzhou Qdama entered into an investment agreement with one of the investors of the Series D Investment (the “**Equity Transfer in 2019**”), pursuant to which an existing shareholder transferred part of its ordinary shares, representing paid-in capital of RMB10,495 to the investor for a total consideration of RMB50,000,000. Concurrently with the transfer, the aforementioned ordinary shares were redesignated as Series Pre-A Convertible Redeemable Preferred Shares. The Series D Investment and Equity Transfer in 2019 was completed in November 2019.

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Pursuant to the agreement dated 26 January 2022, all issued registered capital to the investors of Guangzhou Qdama were cancelled. In consideration, the Company issued the following convertible redeemable preferred shares on 26 January 2022 to Guangzhou Qdama’s then investors:

- 10,495,000 Series Pre-A Convertible Redeemable Preferred Shares of the Company to the then holders of Series Pre-A Convertible Redeemable Preferred Shares to Guangzhou Qdama;
- 64,778,000 Series A Convertible Redeemable Preferred Shares of the Company to the then holders of Series A Investment to Guangzhou Qdama;
- 125,186,670 Series B Convertible Redeemable Preferred Shares of the Company to the then holders of Series B Investment to Guangzhou Qdama;
- 39,321,330 Series B+ Convertible Redeemable Preferred Shares of the Company to the then holders of Series B+ investment to Guangzhou Qdama;
- 131,886,000 Series C Convertible Redeemable Preferred Shares of the Company to the then holders of Series C investment to Guangzhou Qdama; and
- 80,289,000 Series D Convertible Redeemable Preferred Shares of the Company to the then holders of Series D investment to Guangzhou Qdama.

On 27 June 2023, the Company issued 33,060,000 Convertible Redeemable Preferred Shares of the Company to the then holders of Series D investment to Guangzhou Qdama at consideration of RMB175,000,000. And RMB175,000,000 was immediately refunded by Guangzhou Qdama.

Note (ii)

On 26 January 2022, the Company issued (i) 116,038,169 Series E Convertible Redeemable Preferred Shares and (ii) warrants to subscribe for 50,704,131 Series E Convertible Redeemable Preferred Shares to investors for total considerations of USD 97,124,000 (equivalent to RMB614,239,000) and USD 42,439,000 (equivalent to RMB268,399,000), respectively. The holders of the warrants and Guangzhou Qdama also entered into loan agreements totaling RMB268,399,000.

Each warrant and the corresponding loan agreement entered into with individual investors were collectively treated as a single combined instrument, which was considered equivalent to Series E Convertible Redeemable Preferred Shares deemed to have been issued by the Company.

On 25 March 2024, partial holders of warrants obtained all necessary approvals from the PRC authorities and issued a notice of exercise to the Company to subscribe for 45,036,724 Series E CRPS in accordance with the terms of the warrants, for a total consideration of RMB238,399,000.

The same amount was immediately refunded by Guangzhou Qdama to the warrant holders, who then paid it to the Company. The remaining warrants have expired and been forfeited, and the related proceeds amounting to RMB30,000,000 were refunded to the warrant holders.

Note (iii)

Change in fair value through profit or loss included the fair value changes on original CRPS and the modification adjustments on CRPS.

Pursuant to the agreement dated 26 January 2022, the key terms of each series of convertible redeemable preferred shares of the Company are summarised as follows:

(a) Conversion

Each convertible redeemable preferred share shall be convertible, at the option of the holder thereof, into such number of fully paid and non-assessable ordinary shares as determined by dividing the relevant deemed issue price by the then-effective relevant Conversion Price. The conversion price for, the Series Pre-A Shares, the Series A Convertible Redeemable Preferred Shares, the Series B Convertible Redeemable Preferred Shares, the Series B+ Convertible Redeemable Preferred Shares, the Series C Convertible Redeemable Preferred Shares, the Series D Convertible Redeemable Preferred Shares and the Series E Convertible Redeemable Preferred Shares shall initially be equal to the Series Pre-A issue price, Series A issue price, the Series B issue price, the Series B+ issue price, the Series C issue price, the Series D issue price and the Series E issue price, respectively, resulting in an initial conversion ratio of 1:1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided.

Any convertible redeemable preferred shares may, at the option of the holder of thereof, be converted at any date of issuance of such shares, without the payment of any additional consideration into fully-paid and non-assessable Ordinary Shares based on the then effectively relevant Conversion Price.

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In addition, each convertible redeemable preferred share shall automatically be converted, based on the then-effective Conversion Price for such convertible redeemable preferred share, without the payment of any additional consideration, into fully-paid and non-assessable Ordinary Shares upon the earlier of

- (i) the closing of an [REDACTED], or
- (ii) with respect to any class of convertible redeemable preferred shares, the written notice signed by the holders representing one-hundred percent (100%) of the voting power of the outstanding convertible redeemable preferred shares of such class, voting as a separate class and calculated on an as-converted basis.

(b) Redemption right

Upon the written request of each series investments holders, the Company shall redeem all or a portion of all the previously issued paid-in capital, at any time after the occurrence of any of the following events, whichever is earlier:

- (i) the Company has not consummated a Qualified [REDACTED] on or prior to 31 December 2024. After several extensions by the holders of convertible redeemable preferred shares during the Track Record Period, the redemption commencement date was further extended to 1 January 2028 by the holders pursuant to agreements dated 26 March 2026;
- (ii) there is a material breach or violation of any of the transaction documents by any group companies, any founder or any founder’s company that has not been rectified within thirty days after the first receipt of the notice from such investments holders; and
- (iii) only as for the Series E CRPS, there is any cash shortage of the Group. Cash shortage means the average daily cash balance in the account of the Group within any ten consecutive days is less than RMB50 million.

For Series Pre-A to D CRPS, the redemption price shall be paid by the Company to each series investments holder in an amount equal to: (i) one hundred percent (100%) of the original investment amount on each series investment, plus (ii) an eight percent (8%) compound annum interest of the original issue price on each convertible redeemable preferred share accrued during the period from the issue date of each convertible redeemable preferred share until the date on which the redemption price is paid in full, and (iii) any declared but unpaid dividends thereon.

For Series E CRPS, the redemption price shall be paid by the Company to Series E investments holder in an amount equal to: (i) one hundred percent (100%) of the original investment amount on each series investment, plus (ii) a fifteen percent (15%) simple annum interest of the original issue price on each convertible redeemable preferred share accrued during the period from the issue date of each convertible redeemable preferred share until the date on which the redemption price is paid in full, and (iii) any declared but unpaid dividends thereon.

(c) Voting rights

Each convertible redeemable preferred share has voting rights equivalent to the number of ordinary shares into which such convertible redeemable preferred shares could then be convertible.

(d) Liquidation preferences

For the Series Pre-A to D CRPS, in the event of any liquidation, dissolution or winding up of the Company, each series investment holder shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other equity holders, the liquidation preference amount is equal to: (i) one hundred percent (100%) of the original investment amount on each series investments, plus (ii) a compound interest rate of eight percent (8%) per annum of the original investment amount on each series investment, and (iii) any declared but unpaid dividends thereon up to the date of liquidation.

For the Series E CRPS, in the event of any liquidation, dissolution or winding up of the Company, the Series E Convertible Redeemable Preferred Shares investment holder shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other equity holders, the liquidation preference amount is equal to: (i) two hundred percent (200%) of the original investment amount on Series E investments, plus (ii) any declared but unpaid dividends thereon up to the date of liquidation.

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The liquidation preference amount will be paid to the each series CRPS holder in the following order: first to holders of the Series E CRPS, second to holders of the Series D CRPS, third to holders of the Series C CRPS, forth to holders of the Series B+ CRPS and the Series B CRPS, fifth to holders of Series A CRPS and lastly to holders of Series Pre-A CRPS. After distributing or paying in full the liquidation preference amount to all of each series investments holders, the remaining assets of the Company available for distribution to member, if any, shall be distributed to the other ordinary equity holders and each series investments holders on a pro rata basis, based on the paid-in capital then held by each shareholder on an as converted basis. If the value of the remaining assets of the Company is less than aggregate liquidation preference amount payable to the holders of a particular series of investment, then remaining assets of the Company shall be distributed pro rata amongst the holders of all paid-in capital of that series.

The Group applied the discounted cash flow method to determine the underlying equity value of the Group and adopted Binomial option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares and warrants. Key assumptions are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Discount rate	13.50%	13.00%	11.50%	11.50%
Risk-free interest rate	2.21%	1.09%	1.34%	1.18%
DLOM	15.00%	15.00%	15.00%	15.00%
Expected volatility	53.40%	66.73%	57.79%	56.23%

Discount rate was estimated by weighted average cost of capital as of each appraisal date. The Group estimated the risk-free interest rate based on the yield of treasury with a maturity life equal to period from the respective appraisal dates to expected liquidation date. Volatility was estimated at the dates of appraisal based on average of historical volatilities of the comparable companies in the same industry for a period from the respective appraisal dates to expected liquidation date. In addition to the assumptions adopted above, the Company’s projections of future performance were also factored into the determination of the fair value of Series A, Series B, Series B+, Series C, Series D and Series E Investment on each appraisal date.

Increasing/decreasing expected volatility by 5% would decrease the fair value of convertible redeemable preferred shares by RMB11,981,000, RMB6,808,000, RMB8,717,000 and RMB13,356,000 or increase the fair value of convertible redeemable preferred shares by RMB10,738,000, RMB6,269,000, RMB8,083,000 and RMB12,992,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Increasing/decreasing discount rate by 1% would decrease the fair value of convertible redeemable preferred shares by RMB173,668,000, RMB151,245,000, RMB117,511,000 and RMB112,773,000 or increase the fair value of convertible redeemable preferred shares by RMB207,600,000, RMB181,337,000, RMB141,842,000 and RMB135,927,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Accounting policies of convertible redeemable preferred shares

Convertible redeemable preferred shares issued by the Group are redeemable upon the occurrence of certain conditions.

The Group designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss. Subsequent to initial recognition, the convertible redeemable preferred shares are carried at fair value. The component of fair value changes relating to the Company’s own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realised. Fair value changes relating to market risk are recognised in profit or loss.

The Group’s convertible redeemable preferred shares were classified as current liabilities as the convertible redeemable preferred shares may be converted into ordinary shares at the option of the preferred shareholders at any time and the conversion feature does not meet the “fixed-for-fixed” criteria.

27 SHARE-BASED PAYMENTS

Share option schemes

The Group adopted a share incentive plan (the “Pre-[REDACTED] Share Incentive Plan”), an equity-settled share-based compensation plan for the purpose of providing incentives and rewards to its senior managements and key employees (“Grantees”) of the Group. Under the Pre-[REDACTED] Share Incentive Plan, the Company issued 251,633,875 ordinary shares to Qdama Talent Holding Limited (“Qdama Talent”), the employee stock ownership platform which is controlled by the Company.

The share options have graded vesting terms, and will be vested immediately or over two to four years from the grant date on the condition that employees remain in service together with a performance requirement.

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The options may be exercised at any time after the [REDACTED] of the Company provided the options have vested and subject to the terms of the Pre-[REDACTED] Share Incentive Plan.

Set out below are summaries of options granted under the plan:

	No. of share options	Weighted average exercise price
		<i>RMB cents</i>
Outstanding at 1 January 2023	155,405,213	0.73
Granted	13,558,888	0.73
Forfeited	(4,644,635)	0.73
Cancelled	(5,063,996)	0.73
Outstanding at 31 December 2023	159,255,470	0.73
Outstanding at 1 January 2024	159,255,470	0.73
Granted	37,141,775	0.73
Forfeited	(1,061,548)	0.73
Cancelled	(2,028,211)	0.73
Outstanding at 31 December 2024	193,307,486	0.73
Outstanding at 1 January 2025	193,307,486	0.73
Granted	72,672,912	0.73
Forfeited	(955,241)	0.73
Cancelled	(13,391,282)	0.73
Outstanding at 31 December 2025	251,633,875	0.73
(Unaudited)		
Outstanding at 1 January 2025	193,307,486	0.73
Granted	2,636,536	0.73
Forfeited	(615,461)	0.73
Cancelled	(1,842,651)	0.73
Outstanding at 30 June 2025	193,485,910	0.73
Outstanding at 1 January 2026	251,633,875	0.73
Forfeited	(1,290,453)	0.73
Cancelled	(2,438,133)	0.73
Outstanding at 30 June 2026	247,905,289	0.73

Share options outstanding at the end of the year have the following exercise price and vesting year.

Grant date	Exercise price	Vesting year	As at 31 December			As at 30 June
			2023	2024	2025	2026
	<i>RMB cents</i>					
26 January 2017	0.73	4 years from grant date	31,995,793	31,995,793	27,681,401	27,681,401
9 January 2018	0.73	4 years from grant date	23,964,698	23,964,698	18,355,484	18,134,995
9 March 2019	0.73	4 years from grant date	22,500,544	22,500,544	21,373,231	21,099,692
2 March 2020	0.73	Up to 4 years from grant date*	20,449,924	19,853,111	19,743,502	19,743,502
1 March 2021	0.73	Up to 4 years from grant date*	21,293,084	19,875,091	18,309,004	17,987,549
1 March 2022	0.73	Up to 4 years from grant date*	25,492,539	24,519,711	23,539,154	23,397,203
1 March 2023	0.73	Up to 4 years from grant date*	6,393,093	6,333,505	6,082,435	5,784,796
7 April 2023	0.73	Up to 4 years from grant date*	3,547,423	3,547,423	3,547,423	2,660,567
2 July 2023	0.73	Up to 4 years from grant date*	2,483,197	2,483,197	2,483,197	2,483,197
24 July 2023	0.73	Up to 4 years from grant date*	603,062	603,062	603,062	603,062
8 August 2023	0.73	Up to 4 years from grant date*	532,113	532,113	532,113	532,113
24 January 2024	0.73	Up to 4 years from grant date*	–	68,702	68,702	68,702
1 March 2024	0.73	Immediately	–	23,985,798	23,985,798	23,985,798
1 March 2024	0.73	Up to 4 years from grant date*	–	6,056,739	5,668,458	5,272,772
23 July 2024	0.73	Up to 4 years from grant date*	–	4,256,908	4,256,908	4,256,908
30 July 2024	0.73	Up to 4 years from grant date*	–	2,128,454	2,128,454	2,128,454
20 November 2024	0.73	Up to 4 years from grant date*	–	188,324	188,324	188,324
22 November 2024	0.73	Up to 4 years from grant date*	–	188,324	188,324	188,324
17 December 2024	0.73	Up to 4 years from grant date*	–	225,989	225,989	225,989
1 March 2025	0.73	Up to 4 years from grant date*	–	–	1,694,916	1,694,916
2 March 2025	0.73	Up to 4 years from grant date*	–	–	941,620	–
30 September 2025	0.73	Immediately	–	–	6,500,000	6,500,000
31 December 2025	0.73	Up to 4 years from grant date*	–	–	13,691,507	13,442,156
31 December 2025	0.73	25% per year over 4 years	–	–	49,844,869	49,844,869
			159,255,470	193,307,486	251,633,875	247,905,289

* 50%, 25% and 25% of the share options will be vested in 2, 3 and 4 years after the grant date, respectively.

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(a) Fair value of options

The directors of the Company have used the binomial model to determine the fair value of the options as at the respective grant dates, which is to be expensed over the relevant vesting period.

Other than the exercise price mentioned above, significant judgment on parameter such as risk free rate, dividend yield and expected volatility, are required to be made by the directors in applying the binomial model, which are summarised as below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Fair value per share (in RMB)	2.47-2.58	2.25-2.32	1.51-2.12	2.12	N/A
Exercise prices (in RMB cents)	0.73	0.73	0.73	0.73	N/A
Risk-free interest rate	2.83%-3.14%	2.02%-2.63%	2.03%-2.25%	2.03%	N/A
Expected volatility	43.26%-43.55%	43.95%-45.82%	47.63%-48.33%	47.63%	N/A
Dividend yield	–	–	–	–	N/A

(b) Expenses arising from share-based payment transactions

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, expenses arising from share-based payment transaction are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Equity settled share-based payments to employees	18,147	51,735	23,221	8,993	25,929
Equity settled share-based payment to CRPS holders (<i>Note 24(c)</i>)	–	–	954,563	–	–
	18,147	51,735	977,784	8,993	25,929

Accounting policies of share-based payments

Equity-settled share-based payment transactions

The Group operates share options granted to directors and employees, under which the entity receives services from employees as consideration for equity instruments of the Group.

The fair value of the employee services received in exchange for the grant of options is recognised as an expense on the consolidated statements of comprehensive income. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity’s share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and services conditions are included in the calculation of the number of the options expected to vest. The total expense is recognised 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 entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution in the separate financial statements of the Company. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding credit to equity in separate financial statements of the Company.

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28 TRADE PAYABLES

Trade payables primarily include payables for inventories. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of trade payables were primarily denominated in RMB.

Trade payables and their ageing analysis based on the invoice date are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	893,396	743,255	805,961	758,199
3 to 6 months	4,139	3,920	3,958	4,917
6 months to 1 year	1,732	1,297	2,775	2,499
Over 1 year	4,883	1,573	1,737	1,647
	<u>904,150</u>	<u>750,045</u>	<u>814,431</u>	<u>767,262</u>
	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	891,916	729,604	798,089	731,715
HK\$	10,736	14,322	14,681	32,338
MOP	1,498	6,119	1,661	3,209
	<u>904,150</u>	<u>750,045</u>	<u>814,431</u>	<u>767,262</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of trade payables approximated their fair values.

29 ACCRUALS AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current				
Deposits from franchisees (<i>Note b</i>) . .	96,558	73,063	72,611	91,463
	<u>96,558</u>	<u>73,063</u>	<u>72,611</u>	<u>91,463</u>
Current				
Employee benefits payable	81,960	88,857	71,184	54,339
Deposits from franchisees (<i>Note b</i>) . .	20,560	46,156	50,031	31,635
Deposits from suppliers	87,879	81,862	77,346	74,114
Net receipt of sale proceeds on behalf of franchisees (<i>Note c</i>)	30,545	28,420	30,918	29,742
Deposit from consumers (<i>Note d</i>) . .	58,154	58,424	48,661	46,871
Logistics expenses payables	44,455	24,360	21,857	25,273
Other taxes payables	30,129	23,197	22,645	30,730
Accrued [REDACTED]	3,368	8,071	14,053	3,679
Accrued other expenses	24,365	24,646	15,151	14,697
Others	5,221	4,839	5,842	8,672
	<u>386,636</u>	<u>388,832</u>	<u>357,688</u>	<u>319,752</u>
Total (<i>Note a</i>)	<u>483,194</u>	<u>461,895</u>	<u>430,299</u>	<u>411,215</u>

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- (a) The carrying amounts of the Group’s other payables were denominated as:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
RMB	468,711	445,867	412,312	393,481
HK\$	14,125	15,096	17,058	16,896
MOP	358	932	929	838
	<u>483,194</u>	<u>461,895</u>	<u>430,299</u>	<u>411,215</u>

- (b) The balance represents the refundable initial deposit received from franchisees upon entering into franchising agreements. The deposit will be refunded to the franchisees at the end of franchise period net of any penalties incurred.
- (c) The amount would normally be repaid to the franchisees on a daily basis, subject to provisions set out in the franchising agreements.
- (d) Deposits from consumers represent cash deposits into their membership accounts, which include stored value balances and prepaid cards. These deposits are refundable and can be used for purchases at both the Group’s self-operated and franchised stores. The relationship between the Group and its customers is governed by the membership account’s terms and conditions.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of other payables approximated their fair values.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current				
Accrued [REDACTED].	2,539	5,284	11,221	793
	<u>2,539</u>	<u>5,284</u>	<u>11,221</u>	<u>793</u>

Accounting policies of accruals and other payables

Accruals and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accruals and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

30 DEFERRED INCOME TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Net deferred tax assets recognised in the consolidated statements of financial position	12,372	9,414	9,439	6,101
Net deferred tax liabilities recognised in the consolidated statements of financial position	(792)	(580)	(788)	(2,149)
	<u>11,580</u>	<u>8,834</u>	<u>8,651</u>	<u>3,952</u>

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Movements in deferred income tax assets and liabilities during the Track Record Period, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

	Deferred tax assets – tax losses	Deferred tax assets – lease liabilities	Deferred tax assets – unrealised gains from internal transfers of intangible assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	–	93,763	–	93,763
Credited/(charged) to the consolidated statements of comprehensive income	6,955	(45,381)	–	(38,426)
As at 31 December 2023	6,955	48,382	–	55,337
Offset of deferred tax liabilities pursuant to set-off provisions	–	(42,965)	–	(42,965)
Net deferred tax assets at 31 December 2023	6,955	5,417	–	12,372
As at 1 January 2024	6,955	48,382	–	55,337
Credited/(charged) to the consolidated statements of comprehensive income	1,538	(29,425)	–	(27,887)
As at 31 December 2024	8,493	18,957	–	27,450
Offset of deferred tax liabilities pursuant to set-off provisions	–	(18,036)	–	(18,036)
Net deferred tax assets at 31 December 2024	8,493	921	–	9,414
As at 1 January 2025	8,493	18,957	–	27,450
(Charged)/credited to the consolidated statements of comprehensive income	(2,599)	20,553	3,201	21,155
As at 31 December 2025	5,894	39,510	3,201	48,605
Offset of deferred tax liabilities pursuant to set-off provisions	–	(39,166)	–	(39,166)
Net deferred tax assets at 31 December 2025	5,894	344	3,201	9,439
(Unaudited)				
As at 1 January 2025	8,493	18,957	–	27,450
(Charged)/credited to the consolidated statements of comprehensive income	(1,196)	27,693	–	26,497
As at 30 June 2025	7,297	46,650	–	53,947
Offset of deferred tax liabilities pursuant to set-off provisions	–	(46,596)	–	(46,596)
Net deferred tax assets at 30 June 2025 (Unaudited)	7,297	54	–	7,351
As at 1 January 2026	5,894	39,510	3,201	48,605
Charged to the consolidated statements of comprehensive income	(3,378)	(2,202)	(127)	(5,707)
As at 30 June 2026	2,516	37,308	3,074	42,898
Offset of deferred tax liabilities pursuant to set-off provisions	–	(36,797)	–	(36,797)
Net deferred tax assets at 30 June 2026	2,516	511	3,074	6,101

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	Deferred tax liabilities – right-of-use assets	Deferred tax liabilities – Unrealized Gain from Derivative Instruments	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	89,244	–	89,244
Credited to the consolidated statements of comprehensive income	(45,487)	–	(45,487)
As at 31 December 2023	43,757	–	43,757
Offset of deferred tax assets pursuant to set-off provisions . . .	(42,965)	–	(42,965)
Net deferred tax liabilities at 31 December 2023	792	–	792
As at 1 January 2024	43,757	–	43,757
Credited to the consolidated statements of comprehensive income	(25,141)	–	(25,141)
As at 31 December 2024	18,616	–	18,616
Offset of deferred tax assets pursuant to set-off provisions . . .	(18,036)	–	(18,036)
Net deferred tax liabilities at 31 December 2024	580	–	580
As at 1 January 2025	18,616	–	18,616
Charged to the consolidated statements of comprehensive income	21,338	–	21,338
As at 31 December 2025	39,954	–	39,954
Offset of deferred tax assets pursuant to set-off provisions . . .	(39,166)	–	(39,166)
Net deferred tax liabilities at 31 December 2025	788	–	788
(Unaudited)			
As at 1 January 2025	18,616	–	18,616
Charged to the consolidated statements of comprehensive income	29,088	–	29,088
As at 30 June 2025	47,704	–	47,704
Offset of deferred tax assets pursuant to set-off provisions . . .	(46,596)	–	(46,596)
Net deferred tax liabilities at 30 June 2025 (Unaudited)	1,108	–	1,108
As at 1 January 2026	39,954	–	39,954
(Credited)/charged to the consolidated statements of comprehensive income	(1,177)	169	(1,008)
As at 30 June 2026	38,777	169	38,946
Offset of deferred tax assets pursuant to set-off provisions . . .	(36,797)	–	(36,797)
Net deferred tax liabilities at 30 June 2026	1,980	169	2,149

The Group has recognised deferred tax assets in respect of cumulative tax losses, as it is probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB2,137,136,000, RMB2,050,045,000, RMB1,605,293,000 and RMB1,512,848,000, respectively as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from the year of occurrence under current tax legislation.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had cumulative deductible temporary differences of approximately RMB27,212,000, RMB17,170,000, RMB13,540,000 and RMB13,424,000 mainly arising from impairment of right-of-use assets and property, plant and equipment, retirement benefit obligations and allowance on doubtful debts. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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In accordance with the Corporation Income Tax Law of the PRC and its implementation rules (the “CIT Law”), non-resident enterprises shall pay enterprise income tax on income derived from the PRC, and the applicable tax rate is 10.0%. Deferred taxation has not been provided for the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of reversal of the temporary differences.

Unused tax losses for which no deferred tax asset was recognised as follows:

Expiry year	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2024	25,385	–	–	–
2025	531,447	479,453	–	–
2026	1,051,830	971,888	603,174	521,263
2027	322,301	310,068	207,831	189,111
2028	193,878	193,472	184,628	177,022
2029	–	89,966	85,660	67,632
2030	–	–	524,000	508,237
2031	–	–	–	49,583
No expiry dates	12,295	5,198	–	–
	<u>2,137,136</u>	<u>2,050,045</u>	<u>1,605,293</u>	<u>1,512,848</u>

Accounting policies of deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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31 BANK BORROWINGS

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Secured				
Short-term bank borrowings (<i>Note a</i>)	260,268	369,660	382,000	132,000
Long-term bank borrowings (<i>Note a</i>)	—	—	85,000	308,000
	260,268	369,660	467,000	440,000
Unsecured				
Short-term bank borrowings (<i>Note a</i>)	130,000	150,000	50,000	1,000
Long-term bank borrowings (<i>Note a</i>)	—	—	—	48,900
Interest payables	406	285	316	308
	130,406	150,285	50,316	50,208
	390,674	519,945	517,316	490,208

- (a) As at 31 December 2023, borrowings of RMB260,268,000 were secured by certain restricted cash with the carrying amount of RMB141,654,000 (Note 23), and the remaining bank borrowings of RMB130,000,000 were unsecured. The remaining unutilised facility amounted to RMB70,000,000 was unsecured.

As at 31 December 2024, borrowings of RMB369,660,000 were secured by certain restricted cash with the carrying amount of RMB143,768,000 (Note 23), and the remaining bank borrowings of RMB150,000,000 were unsecured. The remaining unutilised facility amounted to RMB122,000,000 was secured by certain restricted cash.

As at 31 December 2025, borrowings of RMB345,000,000 were secured by certain restricted cash with the carrying amount of RMB140,575,000 (Note 23), borrowing of RMB122,000,000 were secured by a subsidiary of the Group, and the remaining bank borrowings of RMB50,000,000 were interest bearing, unsecured and repayable within one year. The remaining unutilised facilities amounted to RMB49,900,000, RMB50,000,000 and RMB205,000,000 were unsecured, secured by certain restricted cash and secured by a subsidiary of the Group, respectively.

As at 30 June 2026, borrowing of RMB440,000,000 were interest bearing and secured by certain subsidiaries of the Group, borrowing of RMB1,000,000 were interest bearing, unsecured and repayable within one year, and the remaining bank borrowings of RMB48,900,000 were interest bearing, unsecured and repayable over one year. The remaining unutilised facilities amounted to RMB200,000,000 were secured by certain subsidiaries of the Group.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amount of the borrowings approximated their respective fair values. For the years ended 2023, 2024, and 2025 and the six months ended 30 June 2026, the weighted average interest rates per annum were 2.61%, 3.49%, 2.57% and 2.51%, respectively.

The carrying amounts of the Group’s borrowings were denominated in RMB.

The Group’s borrowings were repayable as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	390,674	519,945	432,316	133,308
Between 1 and 2 years	—	—	20,000	103,000
Between 2 and 5 years	—	—	65,000	253,900
	390,674	519,945	517,316	490,208

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Accounting policies of borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the [REDACTED] (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

32 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Fair value of derivatives not under hedge accounting:				
Cross currency swaps	—	—	—	1,718

As of 30 June 2026, the maturities of the derivative financial instruments are all within one year.

33 DIVIDEND

No dividends have been paid or declared by the Company during each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

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34 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit/(loss) before income tax . . .	183,524	312,856	(247,903)	195,423	82,607
Adjustments for:					
Depreciation of property, plant and equipment (<i>Note 16</i>)	48,100	36,452	15,708	9,178	5,128
Amortisation of intangible assets (<i>Note 18</i>)	4,650	4,921	5,020	2,537	2,581
Depreciation of right-of-use assets (<i>Note 17</i>)	127,812	98,256	84,689	43,926	35,665
Fair value changes on convertible redeemable preference shares (<i>Note 26</i>)	(73,418)	(163,847)	(419,052)	(84,972)	1,985
Modification adjustments on convertible redeemable preference shares (<i>Note 27</i>) . . .	–	–	954,563	–	–
Fair value gains on derivative financial instruments (<i>Note 8</i>) .	–	–	–	–	(1,718)
Net provision for/(reversal of) impairment losses on financial assets (<i>Note 3.1.2</i>)	528	(555)	658	(376)	329
Net provision for/(reversal of) non-financial assets (<i>Note 10</i>) .	1,059	38	(32)	373	–
Net losses on disposal of property, plant and equipment (<i>Note 8</i>)	157	8,793	6,590	5,152	37
Net (gains)/losses on lease termination and modification . .	(2,327)	(5,515)	2,381	(5,418)	18
Share-based payment to employees (<i>Note 27</i>)	18,147	51,735	23,221	8,993	25,929
Interest expenses on lease liabilities (<i>Note 9</i>)	15,463	6,816	9,011	4,991	3,591
Unwinding of discount on deposits from franchisees (<i>Note 9</i>)	4,226	4,604	3,832	2,135	2,017
Interest income from bank deposits (<i>Note 9</i>)	(9,948)	(13,811)	(18,085)	(8,786)	(6,277)
Unwinding of discount from rental deposits (<i>Note 9</i>)	(1,281)	(1,126)	(684)	(391)	(302)
Net gains on disposal of an associate	(101)	–	–	–	–
Interest income on loans to a related party (<i>Note 7</i>)	(6,126)	(2,575)	–	–	–
Interest income on loans to a third party (<i>Note 7</i>)	–	(5)	(122)	(39)	(84)
Interest expense on the borrowings (<i>Note 9</i>)	10,341	10,043	14,561	7,458	6,748
	<u>320,806</u>	<u>347,080</u>	<u>434,356</u>	<u>180,184</u>	<u>158,254</u>

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in working capital:					
– Inventories	13,270	(3,349)	(592)	1,984	800
– Trade receivables	(3,054)	4,883	(290)	(239)	(2,398)
– Prepayments, deposits and other receivables	33,228	641	(1,591)	(64)	(15,663)
– Restricted cash	(10,480)	5,820	(1,549)	(3,157)	975
– Trade payables	(107,520)	(158,481)	69,939	50,844	(38,183)
– Accruals and other payables .	(99,418)	(28,847)	(32,569)	(55,981)	(16,227)
– Contract liabilities	(2,587)	(9,315)	(314)	156	4,851
Cash generated from operations .	<u>144,245</u>	<u>158,432</u>	<u>467,390</u>	<u>173,727</u>	<u>92,409</u>

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(b) Reconciliation of proceeds from disposal of property, plant and equipment:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Net book amount	6,437	14,839	11,459	8,256	262
Net losses on disposal of property, plant and equipment (Note 8)	(157)	(8,793)	(6,590)	(5,152)	(37)
Proceeds from disposal of property, plant and equipment .	<u>6,280</u>	<u>6,046</u>	<u>4,869</u>	<u>3,104</u>	<u>225</u>

(c) Net debt reconciliation

	Bank borrowings	Other borrowings	Convertible redeemable preferred shares	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	160,000	104	2,407,728	424,767	2,992,599
Interest payments on borrowings	(10,039)	—	—	—	(10,039)
Other changes from financing cash flows . . .	230,268	—	—	(140,691)	89,577
Lease addition	—	—	—	85,848	85,848
Other changes (i)	10,250	91	(115,075)	(155,000)	(259,734)
Exchange differences	—	—	—	248	248
As at 31 December 2023	<u>390,479</u>	<u>195</u>	<u>2,292,653</u>	<u>215,172</u>	<u>2,898,499</u>
As at 1 January 2024	390,479	195	2,292,653	215,172	2,898,499
Interest payments on borrowings	(9,946)	(218)	—	—	(10,164)
Other changes from financing cash flows . . .	129,392	—	(30,000)	(103,762)	(4,370)
Lease addition	—	—	—	110,156	110,156
Other changes (i)	10,020	23	(167,786)	(77,647)	(235,390)
Exchange differences	—	—	—	570	570
As at 31 December 2024	<u>519,945</u>	<u>—</u>	<u>2,094,867</u>	<u>144,489</u>	<u>2,759,301</u>
As at 1 January 2025	519,945	—	2,094,867	144,489	2,759,301
Interest payments on borrowings	(14,530)	—	—	—	(14,530)
Other changes from financing cash flows . . .	(2,660)	—	—	(75,945)	(78,605)
Lease addition	—	—	—	247,849	247,849
Other changes (i)	14,561	—	(428,163)	(104,794)	(518,396)
Exchange differences	—	—	—	(775)	(775)
As at 31 December 2025	<u>517,316</u>	<u>—</u>	<u>1,666,704</u>	<u>210,824</u>	<u>2,394,844</u>
(Unaudited)					
As at 1 January 2025	519,945	—	2,094,867	144,489	2,759,301
Interest payments on borrowings	(7,407)	—	—	—	(7,407)
Other changes from financing cash flows . . .	(26,760)	—	—	(39,138)	(65,898)
Lease addition	—	—	—	176,235	176,235
Other changes (i)	7,458	—	(159,668)	(38,082)	(190,292)
Exchange differences	—	—	—	(443)	(443)
As at 30 June 2025	<u>493,236</u>	<u>—</u>	<u>1,935,199</u>	<u>243,061</u>	<u>2,671,496</u>
As at 1 January 2026	517,316	—	1,666,704	210,824	2,394,844
Interest payments on borrowings	(6,756)	—	—	—	(6,756)
Other changes from financing cash flows . . .	(27,100)	—	—	(42,213)	(69,313)
Lease addition	—	—	—	60,040	60,040
Other changes (i)	6,748	—	(25,277)	(4,311)	(22,840)
Exchange differences	—	—	—	(1,061)	(1,061)
As at 30 June 2026	<u>490,208</u>	<u>—</u>	<u>1,641,427</u>	<u>223,279</u>	<u>2,354,914</u>

(i) Other changes include non-cash movements, such as accrued interest expense, early termination of lease contract and fair value changes.

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35 COMMITMENTS

(a) Capital commitments

During the Track Record Period, the Group’s capital commitments mainly related to the purchase of property, plant and equipment and intangible assets.

The details of commitments relating to property, plant and equipment are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	237	1,707	1,474	418
1-2 years	18	124	29	109
2-3 years	—	24	107	—
	<u>255</u>	<u>1,855</u>	<u>1,610</u>	<u>527</u>

The details of commitments relating to intangible assets are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	225	155	—	99
1-2 years	252	—	—	—
	<u>477</u>	<u>155</u>	<u>—</u>	<u>99</u>

The Group and the Company have recognised right-of-use assets for leases, except for short-term leases, see Note 17 for further information.

Minimum lease payments under non-cancellable short-term leases not recognised in the consolidated statement of financial position are payables as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	12,677	6,910	13,019	18,802

36 CONTINGENCIES

There was no significant contingent liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026.

37 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Name	Relationship
Mr. Feng	A former Ultimate Controlling Shareholder (Note .1.1)
Yangjiang Chuan Popo Food Co., Ltd.	The company is jointly controlled by Mr. Feng Weiguo, a
(Chuan Popo Food)	former non-executive director who was appointed on 25
	December 2024 and resigned on 11 January 2026

(b) Significant transactions with related parties

The following significant transactions were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated at arm’s length basis between the Group and the respective related parties.

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During the Track Record Period, the following transactions were carried out with related parties:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans to a related party					
– Mr. Feng	–	4,500	N/A	N/A	N/A
Total	–	4,500	N/A	N/A	N/A
Interest income on loans to a related party					
– Mr. Feng	6,126	2,575	N/A	N/A	N/A
Total	6,126	2,575	N/A	N/A	N/A
Purchase from a related party					
– Chuan Popo Food	–	1,336	59,397	24,011	2,254
Total	–	1,336	59,397	24,011	2,254

(c) Balances with related parties

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due from a related party:				
Non-trade				
– Mr. Feng	69,971	–	N/A	N/A
	69,971	–	N/A	N/A

The amounts due from Mr. Feng was unsecured, interest-bearing at 2.4%-5% per annum and repayable on demand and in non-trade nature. The balances have been fully settled in July 2024.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:				
Trade				
– Chuan Popo Food	–	1,521	2,023	N/A
	–	1,521	2,023	N/A
Other payables:				
Trade				
– Chuan Popo Food	–	200	200	N/A
	–	200	200	N/A

The ageing analysis of the trade payables to a related party based on invoice dates is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 3 months	–	1,521	2,023	N/A

As at 31 December 2024 and 2025 and 30 June 2026, trade payables and other payables are unsecured, interest-free, repayable on demand and the carrying amounts of balances with the related party approximate their fair values and are denominated in RMB.

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	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade nature				
Amounts due from subsidiaries.	663	729	783	758
Non-trade nature				
Amounts due to subsidiaries	58,063	184,183	195,768	215,925

As at 31 December 2023, 2024 and 2025 and 30 June 2026, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand. The carrying amounts of balances with subsidiaries approximate their fair values and are denominated in RMB.

38 DIRECTORS’ BENEFITS AND INTERESTS

(a) Directors’ emoluments

The remuneration shown below represented remunerations received by the directors in their capacity as employees/directors of the companies now comprising the Group during the Track Record Period.

None of the directors of the Company and of the companies comprising the Group waived any emoluments during the Track Record Period. All of these directors have not received any emoluments from the Group as an inducement to join or upon join the Group or as compensation for the loss of office during the Track Record Period.

Details of the emoluments paid and payable to the directors of the Company are as follows:

	Year ended 31 December 2023					
Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	1,403	–	27	–	1,430
Mr. Feng Jisheng (“Mr. Feng”) (Note (ii))	–	1,400	–	24	–	1,424
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	2,803	–	51	–	2,854
Non-executive Director						
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

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Year ended 31 December 2024

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	1,125	280	27	27,482	28,914
Mr. Feng Jisheng (“Mr. Feng”) (Note (ii))	–	1,120	280	27	–	1,427
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	2,245	560	54	27,482	30,341
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

Year ended 31 December 2025

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	984	420	29	113	1,546
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	984	420	29	113	1,546
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

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Six months ended 30 June 2025 (Unaudited)

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	494	210	14	–	718
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	494	210	14	–	718
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

Six months ended 30 June 2026

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	490	210	30	17,826	18,556
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	522	225	26	–	773
Total	–	1,012	435	56	17,826	19,329
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

- (i) Ms. Feng was appointed as the Company’s executive director on 12 May 2021.
- (ii) Mr. Feng was appointed as the Company’s executive director on 12 May 2021 and was resigned on 25 December 2024.
- (iii) Mr. Zhou was appointed as the Company’s executive director on 11 January 2026. During the Track Record Period, he had not been yet appointed and no emolument was paid/payable for director’s services.
- (iv) Mr. Feng Weiguo was appointed as the Company’s non-executive director on 25 December 2024 and resigned on 11 January 2026.
- (v) Mr. Feng Qin was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.

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- (vi) Mr. Han was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (vii) Ms. Ma was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (viii) Ms. Xiao was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (ix) Mr. Zhang was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (x) Ms. Huang was appointed as the Company’s non-executive director on 11 February 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (xi) Mr. Lin was appointed as the Company’s non-executive director on 1 September 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (xii) The independent non-executive directors, Mr. Lee Wai Kong Albert, Mr. Shi Kangping and Mr. Chung Chong Sun’s appointment will be effective from the date of this Document.

(b) Retirement benefits of directors

There were no retirement benefits was paid to or receivable by directors during the Track Record Period by defined benefit pension plans operated by the Group.

(c) Termination benefits of directors

There were no director’s termination benefits subsisted during the Track Record Period.

(d) Consideration provided to third parties for making available the services of directors

There was no consideration provided to third parties for making available directors’ services subsisted during the Track Record Period.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors.

(f) Material interests of directors in transactions, arrangements or contracts

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, there were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had interests, whether directly or indirectly, subsisted at the end of the Track Record Periods or at any time during the Track Record Periods.

(g) Key management compensation

The directors consider the key management personnel to be the members of the Board of Directors of the Company who have the responsibilities for planning, directing and controlling the activities of the Group. Their compensations are disclosed in Note 38(a).

39 SUBSEQUENT EVENTS

In July 2026, the Company repurchased 8,961,021 CRPS and 19,445,920 ordinary shares from Yunrui Capital, a holder of Series E CRPS, for a consideration of RMB 49.9 million (approximately US\$7.34 million).

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40 SUMMARY OF OTHER ACCOUNTING POLICIES

40.1 Principles of consolidation

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully combined from the date on which control is transferred to the Group. They are separated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

(b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. All investments in associates in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that investments accounted for using the equity method are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in “other (losses)/gains — net” in the consolidated statements of comprehensive income.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(d) *Changes in ownership interests*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to retained earnings.

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40.2 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

40.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is RMB. The Company’s primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB (unless otherwise stated).

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within “other gain/loss” in the consolidated statements of comprehensive income on a net basis.

Transaction differences on non-monetary financial assets and liabilities are recognised in profit or loss as part of the fair value changes.

(c) *Group companies*

The results and financial position of all the Group’s entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

40.4 Accounting policies of separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

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40.5 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

40.6 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

40.7 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings/(loss) per share

Diluted earning/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

40.8 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

40.9 Research and development expenditures

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled. These criteria includes: (i) it is technically feasible to complete the software so that it will be available for use; (ii) management intends to complete the software and use or sell it; (iii) there is an ability to use or sell the software; (iv) it can be demonstrated how the software will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (vi) the expenditure attributable to the software during its development can be reliably measured. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. During the Track Record Period, there were no development costs meeting these criteria and capitalised as intangible assets.

Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives.

Research and development expenses consist primarily of salary and benefits for the Group’s research and development personnel.

During the Track Record Period, all research and development expenditures were recognised in the consolidated statements of comprehensive income as dissatisfaction of the recognition criteria for [REDACTED].

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026 and up to the date of this report.