

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUOQUAN FOOD (SHANGHAI) CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Guoquan Food (Shanghai) Co., Ltd. (formerly known as Guoquan Supply Chain (Shanghai) Co., Ltd.) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-86, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2020, 2021 and 2022 and 30 April 2023 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-86 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Prospectus”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

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

REPORTING ACCOUNTANTS’ RESPONSIBILITY

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s

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preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2020, 2021 and 2022 and 30 April 2023 of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

REVIEW OF INTERIM COMPARATIVE FINANCIAL INFORMATION

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2022 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim 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 Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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**REPORT ON MATTERS UNDER THE RULES GOVERNING THE [REDACTED] OF
SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP
AND MISCELLANEOUS PROVISIONS) ORDINANCE**

Adjustments

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

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong

[●], 2023

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I. HISTORICAL FINANCIAL INFORMATION**PREPARATION OF HISTORICAL FINANCIAL INFORMATION**

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the 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.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Four months ended 30 April	
		2020	2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(Unaudited)
REVENUE	5	2,964,743	3,957,804	7,173,457	2,159,626	2,078,234
Cost of sales	7	(2,635,484)	(3,602,520)	(5,924,496)	(1,862,168)	(1,638,968)
Gross profit		329,259	355,284	1,248,961	297,458	439,266
Other income and gains, net	6	11,274	38,725	121,460	16,849	62,096
Selling and distribution expenses		(220,134)	(629,440)	(624,577)	(219,421)	(184,708)
Administrative expenses		(161,441)	(355,676)	(403,686)	(124,744)	(142,782)
Other expenses		(147)	(2,101)	(2,968)	(2,439)	(1,808)
Finance costs	8	(1,994)	(2,834)	(2,564)	(667)	(2,062)
Impairment loss on financial assets	23	—	(426)	(4,584)	(1,932)	(6,462)
(LOSS)/PROFIT BEFORE TAX	7	(43,183)	(596,468)	332,042	(34,896)	163,540
Income tax (expense)/credit	11	(109)	135,607	(91,060)	9,875	(43,946)
(LOSS)/PROFIT FOR THE YEAR/PERIOD		<u>(43,292)</u>	<u>(460,861)</u>	<u>240,982</u>	<u>(25,021)</u>	<u>119,594</u>
(Loss)/profit attributable to:						
Owners of the parent		(43,292)	(461,990)	229,907	(30,956)	110,397
Non-controlling interests		—	1,129	11,075	5,935	9,197
		<u>(43,292)</u>	<u>(460,861)</u>	<u>240,982</u>	<u>(25,021)</u>	<u>119,594</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic						
– For (loss)/profit for the year/period (RMB cents)	13	<u>(6.85)</u>	<u>(28.97)</u>	<u>8.88</u>	<u>(1.20)</u>	<u>4.13</u>
Diluted						
– For (loss)/profit for the year/period (RMB cents)	13	<u>(6.85)</u>	<u>(28.97)</u>	<u>8.76</u>	<u>(1.20)</u>	<u>4.13</u>

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(LOSS)/PROFIT FOR THE YEAR/PERIOD	<u>(43,292)</u>	<u>(460,861)</u>	<u>240,982</u>	<u>(25,021)</u>	<u>119,594</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	<u>—</u>	<u>—</u>	<u>45</u>	<u>—</u>	<u>(23)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>—</u>	<u>—</u>	<u>45</u>	<u>—</u>	<u>(23)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value	<u>—</u>	<u>2,000</u>	<u>11,838</u>	<u>(7,381)</u>	<u>(5,744)</u>
Income tax effect	<u>—</u>	<u>(500)</u>	<u>(2,959)</u>	<u>1,845</u>	<u>1,436</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>—</u>	<u>1,500</u>	<u>8,879</u>	<u>(5,536)</u>	<u>(4,308)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	<u>—</u>	<u>1,500</u>	<u>8,924</u>	<u>(5,536)</u>	<u>(4,331)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	<u>(43,292)</u>	<u>(459,361)</u>	<u>249,906</u>	<u>(30,557)</u>	<u>115,263</u>
Total comprehensive (loss)/income attributable to:					
Owners of the parent	<u>(43,292)</u>	<u>(460,490)</u>	<u>238,831</u>	<u>(36,492)</u>	<u>106,066</u>
Non-controlling interests	<u>—</u>	<u>1,129</u>	<u>11,075</u>	<u>5,935</u>	<u>9,197</u>
	<u>(43,292)</u>	<u>(459,361)</u>	<u>249,906</u>	<u>(30,557)</u>	<u>115,263</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at
		2020	2021	2022	30 April
		RMB'000	RMB'000	RMB'000	2023
				RMB'000	
NON-CURRENT ASSETS					
Property, plant and equipment	14	21,656	76,979	357,826	380,447
Right-of-use assets	15(a)	33,607	80,415	152,330	149,700
Goodwill	16	—	—	138,010	138,010
Other intangible assets	17	3,847	6,063	61,064	60,396
Investment in an associate	18	—	—	2,000	2,000
Equity investments designated at fair value through other comprehensive income	19	6,250	95,750	98,838	93,094
Other non-current assets	20	5,467	18,115	30,957	26,567
Financial assets at fair value through profit or loss	25	—	129,708	187,875	207,101
Long-term bank deposits	26	—	181,223	526,208	500,698
Deferred tax assets	21	35,846	174,303	116,534	78,792
Total non-current assets		106,673	762,556	1,671,642	1,636,805
CURRENT ASSETS					
Inventories	22	646,588	601,616	1,047,404	550,628
Trade receivables	23	—	14,890	134,325	130,228
Prepayments, other receivables and other assets	24	294,062	479,305	440,114	511,896
Restricted cash	26	27,123	33,474	42,164	45,639
Financial assets at fair value through profit or loss	25	—	200,334	50,067	210,257
Cash and bank balances	26	100,821	627,573	694,954	623,148
Total current assets		1,068,594	1,957,192	2,409,028	2,071,796
CURRENT LIABILITIES					
Trade payables	28	97,405	180,993	577,481	195,686
Other payables and accruals	29	275,011	380,930	589,519	476,119
Interest-bearing bank and other borrowings	27	88,244	—	95,438	95,503
Lease liabilities	15(b)	14,079	20,355	19,938	22,919
Tax payables		13,277	1,080	20,641	13,911
Total current liabilities		488,016	583,358	1,303,017	804,138

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		As at 31 December			As at
	Notes	2020	2021	2022	30 April
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT ASSETS		<u>580,578</u>	<u>1,373,834</u>	<u>1,106,011</u>	<u>1,267,658</u>
TOTAL ASSETS LESS					
CURRENT LIABILITIES		<u>687,251</u>	<u>2,136,390</u>	<u>2,777,653</u>	<u>2,904,463</u>
NON-CURRENT LIABILITIES					
Deferred income	30	—	—	7,335	7,132
Interest-bearing bank and other borrowings	27	—	—	191	10,173
Lease liabilities	15(b)	16,872	20,452	19,215	17,646
Deferred tax liabilities	21	—	1,212	61,361	64,511
Total non-current liabilities		<u>16,872</u>	<u>21,664</u>	<u>88,102</u>	<u>99,462</u>
NET ASSETS		<u>670,379</u>	<u>2,114,726</u>	<u>2,689,551</u>	<u>2,805,001</u>
EQUITY					
Paid-in capital/share capital	31	6,869	20,601	20,993	2,670,000
Reserves	33(a)	<u>663,510</u>	<u>2,068,621</u>	<u>2,573,455</u>	<u>30,514</u>
		<u>670,379</u>	<u>2,089,222</u>	<u>2,594,448</u>	<u>2,700,514</u>
Non-controlling interests		—	25,504	95,103	104,487
Total equity		<u>670,379</u>	<u>2,114,726</u>	<u>2,689,551</u>	<u>2,805,001</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve*	Statutory reserve*	Accumulated losses*	Total equity
	<i>(note 31)</i>	<i>(note 33)</i>	<i>(note 33)</i>		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2020	2,078	118,053	2,322	(73,367)	49,086
Loss and total comprehensive loss for the year	—	—	—	(43,292)	(43,292)
Capitalisation of other borrowings <i>(note 31)</i>	325	29,675	—	—	30,000
Capital injection from investors <i>(note 31)</i>	4,466	613,704	—	—	618,170
Equity-settled Award Interests arrangement <i>(note 32)</i>	—	16,415	—	—	16,415
As at 31 December 2020	<u>6,869</u>	<u>777,847</u>	<u>2,322</u>	<u>(116,659)</u>	<u>670,379</u>

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Year ended 31 December 2021

	Attributable to owners of the parent							
	Paid-in capital	Capital reserve*	Statutory reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total	Non-controlling interests	Total equity
	(note 31)	(note 33)	(note 33)					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021	6,869	777,847	2,322	—	(116,659)	670,379	—	670,379
(Loss)/profit for the year	—	—	—	—	(461,990)	(461,990)	1,129	(460,861)
Other comprehensive income for the year:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	1,500	—	1,500	—	1,500
Total comprehensive (loss)/income for the year	—	—	—	1,500	(461,990)	(460,490)	1,129	(459,361)
Capital injection from investors (note 31)	13,732	1,855,339	—	—	—	1,869,071	—	1,869,071
Capital injection from non-controlling equity holders	—	—	—	—	—	—	24,350	24,350
Equity-settled Award Interests arrangement (note 32)	—	10,262	—	—	—	10,262	—	10,262
Acquisition of a subsidiary (note 34)	—	—	—	—	—	—	25	25
As at 31 December 2021	20,601	2,643,448	2,322	1,500	(578,649)	2,089,222	25,504	2,114,726

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Year ended 31 December 2022

	Attributable to owners of the parent							Total equity
	Paid-in capital	Capital reserve*	Statutory reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Accumulated losses*	Total	
	(note 31) RMB'000	(note 33) RMB'000	(note 33) RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	20,601	2,643,448	2,322	1,500	—	(578,649)	2,089,222	2,114,726
Profit for the year	—	—	—	—	—	229,907	229,907	240,982
Other comprehensive income for the year:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	8,879	—	—	8,879	8,879
Exchange differences on translation of foreign operations	—	—	—	—	45	—	45	45
Total comprehensive income for the year	—	—	—	8,879	45	229,907	238,831	249,906
Transfer of fair value reserve upon obtaining control through business combination	—	—	—	(1,875)	—	1,875	—	—
Acquisition of a subsidiary (notes 31 and 34)	392	261,399	—	—	—	—	261,791	300,715
Equity-settled Award Interests arrangement (note 32)	—	4,604	—	—	—	—	4,604	4,604
Capital injection from non-controlling equity holders	—	—	—	—	—	—	—	19,600
As at 31 December 2022	20,993	2,909,451	2,322	8,504	45	(346,867)	2,594,448	2,689,551

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Four months ended 30 April 2022

		Attributable to owners of the parent							
		Fair value reserve of financial assets at fair value through other comprehensive income*		Statutory reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
Paid-in capital	Capital reserve*	Statutory reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity		
(note 31)	(note 33)	(note 33)							
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)
20,601	2,643,448	2,322	1,500	(578,649)	2,089,222	25,504	2,114,726		
-	-	-	-	(30,956)	(30,956)	5,935	(25,021)		
-	-	-	(5,536)	-	(5,536)	-	(5,536)		(5,536)
-	-	-	(5,536)	(30,956)	(36,492)	5,935	(30,557)		(30,557)
-	1,535	-	-	-	1,535	-	1,535		1,535
20,601	2,644,983	2,322	(4,036)	(609,605)	2,054,265	31,439	2,085,704		2,085,704

As at 1 January 2022

(Loss)/profit for the period

Other comprehensive loss for the period:

Change in fair value of equity investments at fair value through other comprehensive income, net of tax

Total comprehensive (loss)/income for the period

Equity-settled Award Interests arrangement (note 32)

As at 30 April 2022

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Four months ended 30 April 2023

	Attributable to owners of the parent							Total equity	
	Paid-in capital/Share capital	Capital reserve* (note 33) RMB'000	Statutory reserve* (note 33) RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000		Non-controlling interests RMB'000
As at 1 January 2023	20,993	2,909,451	2,322	8,504	45	(346,867)	2,594,448	95,103	2,689,551
Profit for the period	-	-	-	-	-	110,397	110,397	9,197	119,594
Other comprehensive loss for the period:									
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	(4,308)	-	-	(4,308)	-	(4,308)
Exchange differences on translation of foreign operations	-	-	-	-	(23)	-	(23)	-	(23)
Total comprehensive (loss)/income for the period	-	-	-	(4,308)	(23)	110,397	106,066	9,197	115,263
Conversion into a joint stock company	2,649,007	(2,808,272)	-	-	-	159,265	-	-	-
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	2,500	2,500
Dividends paid to non-controlling equity holder	-	-	-	-	-	-	-	(2,313)	(2,313)
As at 30 April 2023	2,670,000	101,179	2,322	4,196	22	(77,205)	2,700,514	104,487	2,805,001

* These reserve accounts comprise the consolidated reserves of RMB663,510,000, RMB2,068,621,000, RMB2,573,455,000 and RMB30,514,000 in the consolidated statements of financial position as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Four months ended 30 April	
		2020	2021	2022	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
						<i>(Unaudited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax:		(43,183)	(596,468)	332,042	(34,896)	163,540
Adjustments for:						
Depreciation of property, plant and equipment	14	4,445	9,885	24,346	5,313	12,452
Depreciation of right-of-use assets	15(a)	8,135	21,714	31,199	10,309	11,266
Amortisation of other intangible assets	17	1,253	2,960	3,788	1,065	3,007
Interest income	6	(2,235)	(16,583)	(23,024)	(6,595)	(8,551)
(Gain)/loss on disposal of items of property, plant and equipment	6	(50)	(125)	697	1	(340)
(Gain)/loss on early termination of leases	6	—	(26)	144	—	23
Realised fair value gains from financial assets at fair value through profit or loss	6	(2,192)	(8,596)	(4,655)	(2,646)	(794)
Unrealised fair value gains on financial assets at fair value through profit or loss	6	—	(334)	(57,900)	(5,289)	(19,416)
Finance costs	8	1,994	2,834	2,564	667	2,062
Impairment of inventories	7	—	—	3,898	880	2,323
Impairment loss on financial assets	23	—	426	4,584	1,932	6,462
Deferred income recognised in profit or loss	30	—	—	(336)	—	(203)
Gain on bargain purchase of a subsidiary	34	—	(25)	—	—	—
Equity-settled share-based payment expenses	32	16,415	10,262	4,604	1,535	—
Foreign exchange differences, net	6	2,790	(1,843)	77	—	—
		<u>(12,628)</u>	<u>(575,919)</u>	<u>322,028</u>	<u>(27,724)</u>	<u>171,831</u>
(Increase)/decrease in inventories		(480,374)	47,741	(411,389)	11,842	494,453
Decrease/(increase) in trade receivables		2,398	(14,692)	(113,898)	(57,579)	(2,365)
(Increase)/decrease in prepayments, other receivables and other assets		(188,516)	(159,026)	50,909	69,098	(70,116)
(Increase)/decrease in restricted cash		(13,771)	(6,351)	(8,690)	554	(3,475)
Increase/(decrease) in trade payables		39,453	74,575	320,172	59,332	(381,795)
Increase/(decrease) in other payables and accruals		<u>124,314</u>	<u>40,942</u>	<u>121,791</u>	<u>(11,269)</u>	<u>(98,317)</u>
Cash (used in)/generated from operations		(529,124)	(592,730)	280,923	44,254	110,216
Income tax paid		(14,613)	(14,066)	(709)	(637)	(8,348)
Interest received		<u>2,235</u>	<u>8,769</u>	<u>5,069</u>	<u>1,733</u>	<u>2,371</u>
Net cash flows (used in)/generated from operating activities		<u>(541,502)</u>	<u>(598,027)</u>	<u>285,283</u>	<u>45,350</u>	<u>104,239</u>

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	Notes	Year ended 31 December			Four months ended 30 April	
		2020	2021	2022	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
						<i>(Unaudited)</i>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property, plant and equipment		476	1,098	1,194	1,086	1,869
Purchase of items of property, plant and equipment		(25,849)	(63,864)	(116,317)	(19,193)	(48,758)
Purchase of other intangible assets		(2,609)	(11,382)	(1,660)	(537)	(875)
Purchase of financial assets at fair value through profit or loss		(891,000)	(839,708)	(805,100)	(515,100)	(340,000)
Proceeds from disposal of financial assets at fair value through profit or loss		893,192	518,596	959,755	511,746	180,794
Receipt of government grants for property, plant and equipment		—	—	7,671	—	—
Increase in bank deposits with original maturity of more than three months when acquired		—	(710,000)	(330,000)	(330,000)	(50,000)
Withdrawal of bank deposits with original maturity of more than three months when acquired		—	320,000	210,000	20,000	—
Interest received from bank deposits with original maturity of more than three months when acquired		—	6,193	3,368	2,572	—
Purchase of equity investments designated at fair value through other comprehensive income		(6,250)	(87,500)	—	—	—
Acquisition of subsidiaries, net of cash	34	—	2,124	32,690	—	—
Capital injection in an associate		—	—	(2,000)	—	—
Net cash flows used in investing activities		<u>(32,040)</u>	<u>(864,443)</u>	<u>(40,399)</u>	<u>(329,426)</u>	<u>(256,970)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from interest-bearing bank and other borrowings		107,770	20,000	40,451	—	100,000
Repayment of interest-bearing bank and other borrowings		(136,897)	(107,857)	(17)	—	(90,016)
Interest paid for interest-bearing bank and other borrowings		(1,120)	(1,549)	(467)	—	(1,371)
Repayment of lease liabilities	15(b)	(11,084)	(26,868)	(27,038)	(8,440)	(7,875)
Dividends paid to non-controlling equity holders		—	—	—	—	(2,313)
Capital injection from investors		618,170	1,869,071	—	—	—
Capital injection from non-controlling equity holders		—	24,350	19,600	—	2,500
Net cash flows generated from/(used in) financing activities		<u>576,839</u>	<u>1,777,147</u>	<u>32,529</u>	<u>(8,440)</u>	<u>925</u>

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	Notes	Year ended 31 December			Four months ended 30 April	
		2020	2021	2022	2022	2023
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>(Unaudited)</i>						
NET INCREASE/(DECREASE) IN						
CASH AND CASH EQUIVALENTS						
		3,297	314,677	277,413	(292,516)	(151,806)
Cash and cash equivalents at						
		100,346	100,821	417,573	417,573	694,954
Effect of foreign exchange differences,						
		(2,822)	2,075	(32)	—	—
CASH AND CASH EQUIVALENTS						
AT END OF YEAR/PERIOD						
		<u>100,821</u>	<u>417,573</u>	<u>694,954</u>	<u>125,057</u>	<u>543,148</u>
ANALYSIS OF BALANCES OF						
CASH AND CASH EQUIVALENTS						
		100,821	627,573	694,954	315,057	623,148
	26	—	181,223	526,208	513,911	500,698
Long-term bank deposits and cash and						
bank balances as stated in the						
consolidated statements of financial						
position						
		100,821	808,796	1,221,162	828,968	1,123,846
Less: bank deposits with original						
maturity of more than three months						
		—	391,223	526,208	703,911	580,698
Cash and cash equivalents as stated in						
the consolidated statements of cash						
flows						
		<u>100,821</u>	<u>417,573</u>	<u>694,954</u>	<u>125,057</u>	<u>543,148</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30
		2020	2021	2022	April
		RMB'000	RMB'000	RMB'000	2023
				RMB'000	
NON-CURRENT ASSETS					
Property, plant and equipment	14	9,708	14,032	8,091	6,810
Right-of-use assets	15(a)	18,434	15,649	10,942	13,334
Other intangible assets	17	3,517	5,741	3,961	5,267
Other non-current assets	20	5,467	6,419	6,406	4,752
Investments in subsidiaries	1	29,100	462,829	738,620	739,120
Long-term bank deposits	26	—	181,223	526,208	500,698
Deferred tax assets	21	16,449	117,790	52,958	23,509
Total non-current assets		<u>82,675</u>	<u>803,683</u>	<u>1,347,186</u>	<u>1,293,490</u>
CURRENT ASSETS					
Inventories	22	646,289	546,629	856,670	311,887
Trade receivables	23	—	5,077	6,079	4,370
Prepayments, other receivables and other assets	24	282,860	376,653	202,539	323,073
Amounts due from subsidiaries	43	12,633	177,078	471,193	596,347
Financial assets at fair value through profit or loss	25	—	200,334	50,067	210,257
Cash and bank balances	26	82,241	548,507	565,133	478,384
Total current assets		<u>1,024,023</u>	<u>1,854,278</u>	<u>2,151,681</u>	<u>1,924,318</u>
CURRENT LIABILITIES					
Trade payables	28	97,361	157,810	452,641	109,353
Other payables and accruals	29	51,571	112,657	138,568	66,578
Amounts due to subsidiaries	43	69,893	44,250	113,380	157,441
Interest-bearing bank and other borrowings	27	87,969	—	—	—
Lease liabilities	15(b)	7,102	8,709	5,467	7,995
Tax payables		7,757	—	—	—
Total current liabilities		<u>321,653</u>	<u>323,426</u>	<u>710,056</u>	<u>341,367</u>
NET CURRENT ASSETS		<u>702,370</u>	<u>1,530,852</u>	<u>1,441,625</u>	<u>1,582,951</u>

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	Notes	As at 31 December			As at 30
		2020	2021	2022	April
		<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2023</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>785,045</u>	<u>2,334,535</u>	<u>2,788,811</u>	<u>2,876,441</u>
NON-CURRENT LIABILITIES					
Lease liabilities	15(b)	<u>10,388</u>	<u>5,825</u>	<u>4,422</u>	<u>5,152</u>
Total non-current liabilities		<u>10,388</u>	<u>5,825</u>	<u>4,422</u>	<u>5,152</u>
NET ASSETS		<u>774,657</u>	<u>2,328,710</u>	<u>2,784,389</u>	<u>2,871,289</u>
EQUITY					
Paid-in capital/share capital	31	6,869	20,601	20,993	2,670,000
Reserves	33(b)	<u>767,788</u>	<u>2,308,109</u>	<u>2,763,396</u>	<u>201,289</u>
Total equity		<u>774,657</u>	<u>2,328,710</u>	<u>2,784,389</u>	<u>2,871,289</u>

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated and registered in the People’s Republic of China (the “PRC”) as a limited liability company on 11 July 2019. On 23 February 2023, the Company was converted into a joint stock company with limited liability with registered capital of RMB2,670,000,000. The address of the registered office is No. 3, Lane 187, Xinghong Road, Minhang District, Shanghai.

During the Relevant Periods, the Company and its subsidiaries (together as the “Group”) were involved in the operation of a franchised retail network and trading of home meal and other food related products in Mainland China.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of principal subsidiaries are set out below:

Name*	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Guoquan Shihui Commercial Management Co., Ltd. (上海鍋圈食匯商業 管理有限公司) (i)	PRC/Mainland China 24 June 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Shenzhen Guoquan Shihui Commercial Management Co., Ltd. (深圳鍋圈食匯商業 管理有限公司) (ii)	PRC/Mainland China 12 June 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Chengdu Guoquan Shihui Commercial Management Co., Ltd. (成都鍋圈食匯商業 管理有限公司) (i)	PRC/Mainland China 9 May 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Nanjing Guoquan Shihui Commercial Management Co., Ltd. (南京鍋圈食匯商業 管理有限公司) (i)	PRC/Mainland China 14 August 2019	RMB1,000,000	100%	—	Provision of supply chain management service
Shaanxi Guoquan Shihui Commercial Management Co., Ltd. (陝西鍋圈食匯商業 管理有限公司) (i)	PRC/Mainland China 26 August 2019	RMB10,000,000	100%	—	Provision of supply chain management service
Shanxi Guoquan Shihui Commercial Management Co., Ltd. (山西鍋圈食匯商業 管理有限公司) (i)	PRC/Mainland China 16 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Henan Guoquan Supply Chain Management Co., Ltd. (河南鍋圈供應鏈管理有限公 司) (i)	PRC/Mainland China 5 January 2015	RMB10,000,000	100%	—	Provision of supply chain management service

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Name*	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Changsha Guoquan Shihui Commercial Management Co., Ltd. (長沙鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 3 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Hebei Guoquan Shihui Commercial Management Co., Ltd. (河北鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 23 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Jinan Guoquan Shihui Commercial Management Co., Ltd. (濟南鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 8 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Nanchang Guoquan Shihui Commercial Management Co., Ltd. (南昌鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 15 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Hangzhou Guoquan Shihui Commercial Management Co., Ltd. (杭州鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 27 September 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Shenyang Guoquan Shihui Commercial Management Co., Ltd. (瀋陽鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 8 May 2020	RMB10,000,000	100%	—	Provision of supply chain management service
Beijing Guoquan Shihui Commercial Management Co., Ltd. (北京鍋圈食匯商業管理有限公司) (i)	PRC/Mainland China 22 August 2019	RMB10,000,000	100%	—	Provision of supply chain management service
Zhengzhou Guoquan Shihui Internet Technology Co., Ltd. (鄭州鍋圈食匯網絡科技有限公司) (i)	PRC/Mainland China 15 February 2017	RMB1,000,000	100%	—	Development of information technology
Guoquan Investment Management (Shanghai) Co., Ltd. (鍋圈投資管理(上海)有限公司) (i)	PRC/Mainland China 10 September 2020	RMB200,000,000	100%	—	Investment holding
Shanghai Guoquan Shihui Trading Co., Ltd. (上海鍋圈食匯商貿有限公司) (i)	PRC/Mainland China 27 August 2020	RMB2,000,000	100%	—	Sale of food products
Guoquan (Shanghai) Import and Export Trade Co., Ltd. (鍋圈(上海)進出口貿易有限公司) (i)	PRC/Mainland China 29 May 2020	RMB50,000,000	100%	—	Sale of food products

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Name*	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Henan Guoxiaoquan Electronic Commerce Co., Ltd. (河南鍋小圈電子商務有限公司) (v)	PRC/Mainland China 17 May 2019	RMB20,000,000	100%	—	Development of information technology
Guoquan Corporate Consulting (Shanghai) Co., Ltd. (鍋圈企業諮詢(上海)有限公司) (ii)	PRC/Mainland China 16 June 2021	RMB140,000,000	100%	—	Provision of enterprise management service
Anhui Guoquan Shihui Commercial Management Co., Ltd. (安徽鍋圈食匯商業管理有限公司) (ii)	PRC/Mainland China 24 March 2021	RMB10,000,000	100%	—	Provision of supply chain management service
Wuhan Guoquan Shihui Commercial Management Co., Ltd. (武漢鍋圈食匯商業管理有限公司) (ii)	PRC/Mainland China 9 April 2021	RMB10,000,000	100%	—	Provision of supply chain management service
Luyi Heyi Meat Industry Co., Ltd. (鹿邑縣和一肉業有限公司) (iv)	PRC/Mainland China 13 May 2020	RMB50,000,000	—	51%	Processing and sale of meat products
Luyi Wanlai Wanqu Food Co., Ltd. (鹿邑縣丸來丸去食品有限公司) (iii)	PRC/Mainland China 7 February 2021	RMB50,000,000	—	51%	Processing and sale of meat products
Guoquan Enterprise Management (Shanghai) Co., Ltd. (鍋圈企業管理(上海)有限公司) (formerly known as Guoquan Investment (Hainan) Co., Ltd. (鍋圈投資(海南)有限公司)) (viii)	PRC/Mainland China 6 April 2022	RMB2,000,000	—	100%	Investment holding
Guoquan Shihui Commercial Management (Hongkong) Co., Ltd. (鍋圈食匯商業管理(香港)有限公司) (vi)	Hong Kong 2 September 2022	HKD100,000	100%	—	Provision of supply chain management service
Luyi Chengming Food Co., Ltd. (“Luyi Chengming”, 鹿邑縣澄明食品有限公司) (vii)	PRC/Mainland China 29 Oct 2019	RMB55,555,556	74.79%	2.5%	Processing and sale of sauce and condiment products
Sichuan Chengming Food Co., Ltd. (四川澄明食品有限公司) (vii)	PRC/Mainland China 14 June 2018	RMB1,000,000	—	77.29%	Sale of sauce and condiment products
Sichuan Dajiangchuchuan Food Co., Ltd. (四川大醬出川食品有限公司) (vii)	PRC/Mainland China 16 Mar 2021	RMB1,000,000	—	77.29%	Sale of sauce and condiment products
Luyi Chengming Commercial Management Co., Ltd. (鹿邑縣澄明商業管理有限公司) (vii)	PRC/Mainland China 14 Oct 2020	RMB1,000,000	—	77.29%	Provision of supply chain management service

* The English names of the PRC companies above represent management’s best efforts in translating the Chinese names of these companies as no English names have been registered.

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The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group.

Notes:

- (i) The statutory financial statements of these companies for the years ended 31 December 2020, 2021 and 2022 prepared in accordance with the PRC Generally Accepted Accounting Principles (“PRC GAAP”) were audited by Grand Thornton China, LLP (致同會計師事務所(特殊普通合夥)).
- (ii) The statutory financial statements of these companies for the year ended 31 December 2021 and 2022 prepared in accordance with the PRC GAAP were audited by Grand Thornton China, LLP (致同會計師事務所(特殊普通合夥)).
- (iii) The entity was acquired by the Group in 2021. The statutory financial statements of the entity for the year ended 31 December 2021 and 2022 prepared in accordance with PRC GAAP were audited by Henan Hengxin, LLP (河南恒新會計師事務所(特殊普通合夥)).
- (iv) The entity was acquired by the Group in 2021. The statutory financial statement of the entity prepared in accordance with PRC GAAP were audited by Shine Wing, LLP (信永中和會計師事務所(特殊普通合夥)) for the year ended 31 December 2021 and Henan Hengxin, LLP (河南恒新會計師事務所(特殊普通合夥)) for the year ended 31 December 2022.
- (v) The entity was acquired by the Group in 2021. The statutory financial statements of the entity for the year ended 31 December 2021 and 2022 prepared in accordance with PRC GAAP were audited by Grand Thornton China, LLP (致同會計師事務所(特殊普通合夥)).
- (vi) No audited statutory financial statements have been prepared for the subsidiary as there is no statutory requirement to issue statutory financial statements at its place of incorporation.
- (vii) These entities were acquired by the Group in 2022. The statutory financial statements of these entities for the year ended 31 December 2022 prepared in accordance with PRC GAAP were audited by Henan Yuheng, LLP (河南豫衡會計師事務所(特殊普通合夥)).
- (viii) The statutory financial statement of the entity for the year ended 31 December 2022 prepared in accordance with PRC GAAP were audited by Grand Thornton China, LLP (致同會計師事務所(特殊普通合夥)).

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”).

All IFRSs effective for the accounting period commencing from 1 January 2023, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information consistently throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the Relevant Periods and the four months ended 30 April 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not adopted the following new and revised IFRSs that have been issued but are not yet effective in the Historical Financial Information:

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ¹
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{1, 3}
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ¹
Amendment to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i> ⁵
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2024

² No mandatory effective date yet determined but available for adoption

³ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024.

⁴ An entity applies the amendments to IAS 7 for annual reporting periods beginning on or after 1 January 2024 and the amendments to IFRS 7 when it applies the amendments to IAS 7.

⁵ Effective either immediately or for annual periods beginning on or after 1 January 2023 but it is not applicable for any interim periods before 31 December 2023.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, it has concluded that the adoption of them will not have a material impact on the Group’s financial position and financial performance.

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2.3 MATERIAL ACCOUNTING POLICIES INFORMATION

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its certain of financial assets and equity investments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

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or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

<u>Category</u>	<u>Principal annual rate</u>
Buildings	4.8%-5.0%
Leasehold improvements	19.0%-31.7%
Machinery equipment	9.5%
Motor vehicles	19.0%
Office equipment	19.0%-31.7%

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

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

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

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Intangible assets (other than goodwill)

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

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years based on the Group's past experiences and different purposes on usages of the software and the authorised period for such uses.

Trademarks and patent rights

Trademarks and patent rights acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Trademarks and patent rights with finite useful lives are stated at their cost less any impairment losses and are amortised on a straight-line basis over their estimated useful lives of 10 to 20 years. The Group determines their useful lives with reference to the patent protection periods and the estimated periods that the Group intends to derive future economic benefits from the use of the assets.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Office premises and plant	2-5 years
Leasehold land	50 years

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

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(b) *Lease liabilities*

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

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

Financial investments

Investment in convertible redeemable preferred shares and wealth management products are classified as financial assets at fair value through profit or loss ("FVTPL Assets"). FVTPL Assets are measured and recorded at fair value and any unrealised gains or losses are recognised in the consolidated statements of profit and loss. Realised gains and losses from the sale or withdrawal of FVTPL Assets are determined on a specific-identification basis.

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

Gains and losses on these financial assets are never recycled to the statements of profit or loss. Dividends are recognised as other income in the consolidated statements of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity investments designated at fair value through OCI are not subject to impairment assessment.

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

Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. The Group initially measures receivables, except for trade receivables that do not contain a significant financing component, at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses.

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Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets measured at amortised cost (including cash and bank balances, restricted cash and trade and other receivables, long-term bank deposits). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Trade and other payables

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

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Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statements of profit or loss over the period of the borrowings using the effective interest method.

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

Derecognition of financial liabilities

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

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

Inventories

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

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of profit or loss.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sale of home meal and other food related products

Revenue from the sale of home meal and other food related products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Where consideration payable to customers exists in a contract, it is set off against transaction price and is applied against revenue for the current period at the later of the point at which the relevant revenue is recognised and the point of payment of (or commitment to pay) consideration to customers, unless the consideration payable is for obtaining other distinct goods or services from the customers.

(b) Provision of operational support services

Revenue from the provision of operational support services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

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

Contract liabilities

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

Pension scheme

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

Share-based payments

The Company operates an award interests arrangement ("Award Interests Arrangement") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the Historical Financial Information.

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

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

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

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

Foreign currencies

These Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

Judgement

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

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 21 to the Historical Financial Information.

Estimation uncertainty

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

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Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products, consumer price index, deposit reserve ratio, inflation rate and rate of unemployment) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 23 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at 31 December 2020, 2021 and 2022 and 30 April 2023. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, right-of-use assets, other intangible assets, investments in an associate and other non-current assets are set out in notes 14, 15, 17, 18 and 20 to the Historical Financial Information.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2022 and 30 April 2023 was RMB138,010,000. Further details are given in note 16 to the Historical Financial Information.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of deferred tax assets relating to recognised tax losses at 31 December 2020, 2021 and 2022 and 30 April 2023 were RMB14,214,000, RMB145,147,000, RMB75,321,000 and RMB37,124,000, respectively. The amounts of unrecognised tax losses as at 31 December 2020, 2021 and 2022 and 30 April 2023 were RMB35,604,000, RMB54,429,000, RMB83,973,000 and RMB95,825,000, respectively. Further details are contained in note 21 to the Historical Financial Information.

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Fair value measurement of unlisted equity investments

The unlisted equity investments and unlisted convertible redeemable preferred shares have been valued based on a market-based valuation technique as detailed in note 41 to the Historical Financial Information. The valuation requires the Group to determine price-to-sales ratio for similar instruments, adjusted by discount for lack of marketability, volatility and risk-free interest rate. The Group classifies the fair value of these unlisted equity investments and unlisted convertible redeemable preferred shares as Level 3 instruments. The fair values of the unlisted equity investments recorded in equity investments designated at fair value through OCI at 31 December 2020, 2021 and 2022 and 30 April 2023 were RMB6,250,000, RMB95,750,000, RMB98,838,000 and RMB93,094,000, respectively. The fair values of the unlisted convertible redeemable preferred shares recorded in financial assets at fair value through profit or loss at 31 December 2020, 2021 and 2022 and 30 April 2023 were nil, RMB129,708,000, RMB187,875,000 and RMB207,101,000, respectively. Further details are included in note 19 and note 25 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group’s chief operating decision maker is the chief executive officer of the Group who reviews the Group’s consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

Since all of the Group’s revenue are derived from customers based in Mainland China during the Relevant Periods and all the Group’s non-current assets are located in Mainland China, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

No sales to a single customer accounted for 10% or more of the Group’s revenue during the Relevant Periods.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	
Revenue from contracts with customers					
Sale of home meal and other food related products	2,917,938	3,880,204	7,058,774	2,127,177	2,030,027
Operational support services	46,805	77,600	114,683	32,449	48,207
Total revenue from contracts with customers	2,964,743	3,957,804	7,173,457	2,159,626	2,078,234
Timing of revenue recognition					
Goods transferred at a point in time	2,917,938	3,880,204	7,058,774	2,127,177	2,030,027
Services transferred over time	46,805	77,600	114,683	32,449	48,207
Total revenue from contracts with customers	2,964,743	3,957,804	7,173,457	2,159,626	2,078,234

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The following table set forth the amounts of revenue recognised in the Relevant Periods and the four months ended 30 April 2022 that were included in the contract liabilities at the beginning of each of the Relevant Periods and the four months ended 30 April 2022:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the period:					
Sale of home meal and other food related products	24,978	23,422	20,920	20,920	22,190
Operational support services	11,059	31,241	40,478	24,622	41,314
	<u>36,037</u>	<u>54,663</u>	<u>61,398</u>	<u>45,542</u>	<u>63,504</u>

Performance obligations

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

Sale of home meal and other food related products

The performance obligation is satisfied upon delivery of the home meal and other food related products and payment in advance is normally required, except for customers with credit terms, where payment is generally due within 30 days to 180 days from delivery. Some contracts provide customers with a right of return which gives rise to variable consideration.

Operational support services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. The franchisees are required to pay the Group a fixed sum of yearly operational support service fee for each franchised store at the beginning of each franchise period.

The Group has no revenue contract that has an original expected duration more than one year. Thus, management applied practical expedient under IFRS15 and does not disclose the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied as of the end of each of the Relevant Periods.

6. OTHER INCOME AND GAINS, NET

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Other income					
Government grants related to					
— income (i)	2,580	8,557	28,187	882	31,986
— assets (ii)	—	—	336	—	203
Interest income	2,235	16,583	23,024	6,595	8,551
Others	7,007	2,636	8,276	1,438	829
	<u>11,822</u>	<u>27,776</u>	<u>59,823</u>	<u>8,915</u>	<u>41,569</u>

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	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Gains, net					
Foreign exchange differences, net	(2,790)	1,843	(77)	—	—
Realised fair value gains from financial assets at fair value through profit or loss	2,192	8,596	4,655	2,646	794
Unrealised fair value changes on financial assets at fair value through profit or loss					
— Wealth management products	—	334	(267)	314	190
— Unlisted convertible redeemable preferred shares	—	—	58,167	4,975	19,226
Gain on bargain purchase of a subsidiary	—	25	—	—	—
Gain/(loss) on early termination of leases	—	26	(144)	—	(23)
Gain/(loss) on disposal of items of property, plant and equipment, net	50	125	(697)	(1)	340
	<u>(548)</u>	<u>10,949</u>	<u>61,637</u>	<u>7,934</u>	<u>20,527</u>
	<u>11,274</u>	<u>38,725</u>	<u>121,460</u>	<u>16,849</u>	<u>62,096</u>

- (i) The government grants related to income have been received to reward for the Group's contribution to the local economic growth. These grants related to income are recognised in the consolidated statements of profit or loss upon receipt of these rewards and the related conditions associated with the rewards, if any, are met. There are no unfulfilled conditions or other contingencies attaching to these grants.
- (ii) The Group has received certain government grants related to the investments in production plants. The grants related to assets were recognised in the consolidated statements of profit or loss over the useful lives of relevant assets. Details of these grants related to assets are set out in note 30 to the Historical Financial Information.

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7. (LOSS)/PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Four months ended 30 April	
		2020	2021	2022	2022	2023
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of inventories sold*		2,635,484	3,602,520	5,924,496	1,862,168	1,638,968
Depreciation of property, plant and equipment	14	4,445	9,885	24,346	5,313	12,452
Depreciation of right-of-use assets	15(a)	8,135	21,714	31,199	10,309	11,266
Expenses relating to short-term leases	15(c)	6,082	7,663	8,412	3,250	2,228
Amortisation of other intangible assets**	17	1,253	2,960	3,788	1,065	3,007
Employee benefit expense (including directors', chief executive's and supervisors' remuneration as set out in note 9):						
Wages and salaries		127,416	325,304	375,813	139,509	121,189
Equity-settled share-based payment expenses	32	16,415	10,262	4,604	1,535	—
Pension scheme contributions, social welfare and other welfare***		10,072	72,855	72,805	27,246	19,066
Other employee benefits		3,274	24,431	31,370	8,866	9,494
Research and development cost****		235	3,487	9,981	1,381	2,482
[REDACTED] expenses		—	—	[REDACTED]	[REDACTED]	[REDACTED]
Impairment loss on financial assets	23	—	426	4,584	1,932	6,462
Impairment of inventories	22	—	—	3,898	880	2,323
Auditor's remuneration		87	236	283	47	—
Gain on bargain purchase of a subsidiary	34	—	(25)	—	—	—
(Gain)/loss on disposal of items of property, plant and equipment, net	6	(50)	(125)	697	1	(340)
Government grants	6	(2,580)	(8,557)	(28,523)	(882)	(32,189)
Foreign exchange differences, net	6	2,790	(1,843)	77	—	—
Interest income	6	(2,235)	(16,583)	(23,024)	(6,595)	(8,551)
Finance costs	8	1,994	2,834	2,564	667	2,062

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- * Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.
- ** The amortisation of other intangible assets is included in administrative expenses and selling and distribution expenses in the consolidated statements of profit or loss.
- *** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- **** Research and development cost include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings	1,082	930	662	—	1,434
Interest on lease liabilities	912	1,904	1,902	667	628
	1,994	2,834	2,564	667	2,062

9. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Details of the emoluments paid or payable to the directors and the chief executive of the Company for their services provided to the Group during the Relevant Periods and the four months ended 30 April 2022 are as follows:

	Notes	Year ended 31 December 2020					Total
		Fees	Salaries	Performance-related bonuses	Pension scheme contributions	Equity-settled share-based payment expenses	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chief executive and executive directors:							
Mr. Mingchao Yang	i	—	651	482	42	13,132	14,307
Mr. Haolei An	iii	—	830	511	42	3,283	4,666
Mr. Xianjin Meng	ii	—	610	479	42	—	1,131
Mr. Xinhua Li	ii & xi	—	610	479	42	—	1,131
Ms. Na Luo	iv	—	264	225	28	—	517
Non-executive directors:							
Mr. Bin Chang	iv & xi	—	—	—	—	—	—
Mr. Jiayu Yi	ii	—	—	—	—	—	—
Mr. Hongkai Li	ii	—	—	—	—	—	—
Mr. Haitao Zhang	iii & xi	—	—	—	—	—	—
Supervisor:							
Ms. Zheng Min	v	—	387	230	33	—	650
		—	3,352	2,406	229	16,415	22,402

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Year ended 31 December 2021							
Notes	Fees	Salaries	Performance-related bonuses	Pension scheme contributions	Equity-settled	Total	
					share-based payment expenses		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Chief executive and executive directors:							
Mr. Mingchao Yang	i	—	811	281	114	8,210	9,416
Mr. Haolei An	iii	—	1,177	318	114	2,052	3,661
Mr. Xianjin Meng	ii	—	761	276	114	—	1,151
Mr. Xinhua Li	ii&xi	—	761	276	114	—	1,151
Ms. Na Luo	iv	—	426	245	97	—	768
Ms. Jiewen Li	vi&xi	—	361	80	106	—	547
Non-executive directors:							
Mr. Bin Chang	iv&xi	—	—	—	—	—	—
Mr. Jiayu Yi	ii	—	—	—	—	—	—
Mr. Hongkai Li	ii	—	—	—	—	—	—
Mr. Haitao Zhang	iii&xi	—	—	—	—	—	—
Supervisor:							
Ms. Zheng Min	v	—	456	245	112	—	813
		—	4,753	1,721	771	10,262	17,507

Year ended 31 December 2022							
Notes	Fees	Salaries	Performance-related bonuses	Pension scheme contributions	Equity-settled	Total	
					share-based payment expenses		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Chief executive and executive directors:							
Mr. Mingchao Yang	i	—	1,091	500	126	3,683	5,400
Mr. Haolei An	iii	—	1,493	500	126	921	3,040
Mr. Xianjin Meng	ii	—	1,015	500	126	—	1,641
Mr. Xinhua Li	ii&xi	—	1,015	500	126	—	1,641
Ms. Na Luo	iv	—	661	500	114	—	1,275
Ms. Jiewen Li	vi&xi	—	434	125	116	—	675
Non-executive directors:							
Mr. Bin Chang	iv&xi	—	—	—	—	—	—
Mr. Jiayu Yi	ii	—	—	—	—	—	—
Mr. Hongkai Li	ii	—	—	—	—	—	—
Mr. Haitao Zhang	iii&xi	—	—	—	—	—	—
Mr. Xinghai Zeng	vii	—	—	—	—	—	—
Supervisor:							
Ms. Zheng Min	v	—	661	500	124	—	1,285
		—	6,370	3,125	858	4,604	14,957

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Four months ended 30 April 2022

	Notes						Total
		Fees	Salaries	Performance-related bonuses	Pension scheme contributions	Equity-settled share-based payment expenses	
		RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	
Chief executive and executive directors:							
Mr. Mingchao Yang	i	—	325	—	40	1,228	1,593
Mr. Haolei An	iii	—	474	—	40	307	821
Mr. Xianjin Meng	ii	—	305	—	40	—	345
Mr. Xinhua Li	ii&xi	—	229	—	30	—	259
Ms. Na Luo	iv	—	181	—	32	—	213
Ms. Jiewen Li	vi&xi	—	91	—	29	—	120
Non-executive directors:							
Mr. Bin Chang	iv&xi	—	—	—	—	—	—
Mr. Jiayu Yi	ii	—	—	—	—	—	—
Mr. Hongkai Li	ii	—	—	—	—	—	—
Mr. Haitao Zhang	iii&xi	—	—	—	—	—	—
Supervisor:							
Ms. Zheng Min	v	—	181	—	39	—	220
		—	1,786	—	250	1,535	3,571

Four months ended 30 April 2023

	Notes						Total
		Fees	Salaries	Performance-related bonuses	Pension scheme contributions		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Chief executive and executive directors:							
Mr. Mingchao Yang	i	—	480	—	43	523	
Mr. Haolei An	iii	—	548	—	43	591	
Mr. Xianjin Meng	ii	—	440	—	43	483	
Mr. Xinhua Li	ii&xi	—	330	—	33	363	
Ms. Na Luo	iv	—	320	—	43	363	
Ms. Jiewen Li	vi&xi	—	142	—	29	171	
Non-executive directors:							
Mr. Bin Chang	iv&xi	—	—	—	—	—	
Mr. Jiayu Yi	ii	—	—	—	—	—	
Mr. Hongkai Li	ii	—	—	—	—	—	
Mr. Haitao Zhang	iii&xi	—	—	—	—	—	
Mr. Xinghai Zeng	vii	—	—	—	—	—	
Independent Non-executive Directors							
Mr. Xiaosong Zeng	x	—	—	—	—	—	
Ms. Fangjing Yu	x	—	—	—	—	—	
Mr. Jianfeng Li	x	—	—	—	—	—	
Mr. Kangping Shi	x	—	—	—	—	—	
Supervisor:							
Ms. Zheng Min	v	—	320	—	43	363	
Ms. Yifan Zhang	viii	—	83	—	26	109	
Mr. Boyuan Zhang	ix	—	41	—	8	49	
		—	2,704	—	311	3,015	

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Notes:

- (i) Mr. Mingchao Yang was appointed in July 2019.
- (ii) Mr. Jiayu Yi, Mr. Xianjin Meng, Mr. Hongkai Li and Mr. Xinhua Li were appointed in October 2019.
- (iii) Mr. Haolei An and Mr. Haitao Zhang were appointed in March 2020.
- (iv) Ms. Na Luo and Mr. Bin Chang were appointed in July 2020.
- (v) Ms. Zheng Min was appointed in December 2019.
- (vi) Ms. Jiewen Li was appointed in March 2021.
- (vii) Mr. Xinghai Zeng was appointed in August 2022.
- (viii) Ms. Yifan Zhang was appointed in February 2023.
- (ix) Mr. Boyuan Zhang was appointed in February 2023.
- (x) Mr. Xiaosong Zeng, Ms. Fangjing Yu, Mr. Jianfeng Li and Mr. Kangping Shi were appointed in March 2023.
- (xi) Mr. Xinhua Li, Mr. Haitao Zhang, Mr. Bin Chang and Ms. Jiewen Li resigned in March 2023.

The fair value of the Award Interests, which has been recognised in the consolidated statements of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated statements of profit or loss for each of the Relevant Periods and the four months ended 30 April 2022 are included in the above directors’ and chief executive’s remuneration disclosures.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the four months ended 30 April 2022.

10. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023 include four, three, two, two and one directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining one, two, three, three and four highest paid employees who are neither a director nor chief executive of the Company for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023 are as follows:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries	642	2,353	7,030	2,767	2,660
Performance-related bonuses	105	320	1,230	—	—
Pension scheme contribution	28	210	237	115	163
	<u>775</u>	<u>2,883</u>	<u>8,497</u>	<u>2,882</u>	<u>2,823</u>

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

	Number of employees				
	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
				<i>(unaudited)</i>	
HK\$500,001 to HK\$1,000,000 (equivalent to RMB447,001 to RMB893,000)	1	—	—	2	4
HK\$1,500,001 to HK\$2,000,000 (equivalent to RMB1,334,001 to RMB1,786,000)	—	2	—	1	—
HK\$2,500,001 to HK\$3,000,000 (equivalent to RMB2,233,001 to RMB2,680,000)	—	—	1	—	—
HK\$3,000,001 to HK\$3,500,000 (equivalent to RMB2,680,001 to RMB3,126,000)	—	—	1	—	—
HK\$3,500,001 to HK\$4,000,000 (equivalent to RMB3,126,001 to RMB3,573,000)	—	—	1	—	—
	<u>1</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>4</u>

11. INCOME TAX

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Current — PRC					
Charge for the year	17,659	1,834	13,845	2,062	2,167
Under/(over) provision in prior years	8	35	76	26	(549)
Deferred income tax (<i>note 21</i>)	<u>(17,558)</u>	<u>(137,476)</u>	<u>77,139</u>	<u>(11,963)</u>	<u>42,328</u>
	<u>109</u>	<u>(135,607)</u>	<u>91,060</u>	<u>(9,875)</u>	<u>43,946</u>

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

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PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT rate of the Group’s PRC subsidiaries is 25% unless subject to tax exemption set out below.

Pursuant to Cai shui [2019] No. 13, “The Announcement of implementation on inclusive tax relief policy of Small-scaled minimal profit enterprise” issued by the Ministry of Finance (“MOF”) and National Tax Bureau on 17 January 2019, the Small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment with only 25% income taxable at the preferential EIT rate of 20%; the Small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment with only 50% income taxable at the preferential EIT rate of 20%, from 1 January 2019 to 31 December 2021. Pursuant to an announcement [2021] No. 12 “The Announcement on the Implementation of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households” issued by MOF and National Tax Bureau on 2 April 2021, for Small-scaled minimal profit enterprise with an annual taxable income amount below RMB1,000,000 (RMB1,000,000 included), on top of the tax relief policies stipulated under “The Announcement of implementation on inclusive tax relief policy of Small-scaled minimal profit enterprise” issued by MOF and National Tax Bureau” (Cai shui [2019] No. 13), the enterprise income tax will be further halved. That is, for Small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB1,000,000, the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, from 1 January 2021 to 30 April 2023.

HK profit tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The Group has applied the mandatory temporary exception from recognising and disclosing information about deferred taxes related to Pillar Two income taxes. The Group is in the process of assessing the related exposure from Pillar Two income taxes.

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

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Loss)/profit before tax	(43,183)	(596,468)	332,042	(34,896)	163,540
Tax at the PRC EIT rate of 25%	(10,796)	(149,117)	83,011	(8,724)	40,885
Effect of different tax rate	—	—	248	—	93
Adjustments in respect of current tax of previous years	8	35	76	26	(549)
Expenses not deductible for tax	1,996	9,658	2,049	687	1,156
Research and development super deduction	—	(872)	(2,493)	(345)	(620)
Tax losses and deductible temporary differences not recognised	8,901	4,689	8,169	132	3,418
Tax losses utilised from previous periods	—	—	—	(1,651)	(437)
Tax charge/(credit) at the Group’s effective rate	109	(135,607)	91,060	(9,875)	43,946

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12. DIVIDENDS

No dividend has been paid or declared by the Company in respect of the Relevant Periods and the four months ended 30 April 2022.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year or period attributable to owners of the parent, and the weighted average number of ordinary shares of 631,967,000, 1,594,492,000, 2,589,553,000, 2,585,325,000 and 2,670,000,000 during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023, respectively. The weighted average number of ordinary shares in issue before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in February 2023 (note 31).

(a) Basic

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
				<i>(Unaudited)</i>	
(Loss)/profit attributable to owners of the parent (RMB'000)	(43,292)	(461,990)	229,907	(30,956)	110,397
Weighted average number of ordinary shares used in the basic earnings per share calculation	631,967,000	1,594,492,000	2,589,553,000	2,585,325,000	2,670,000,000
Basic (loss)/earnings per share (RMB cents)	(6.85)	(28.97)	8.88	(1.20)	4.13

(b) Diluted

Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the year or period attributable to owners of the parent by the adjusted weighted average number of ordinary shares outstanding assuming conversion of the awards (“Award Interest”) under the Award Interests Arrangement. A calculation is done to determine the number of shares that could have been issued by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in February 2023 (note 31).

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
				<i>(Unaudited)</i>	
(Loss)/profit attributable to owners of the parent (RMB'000)	(43,292)	(461,990)	229,907	(30,956)	110,397
Weighted average number of ordinary shares used in the basic earnings per share calculation	631,967,000	1,594,492,000	2,589,553,000	2,585,325,000	2,670,000,000
Adjustment for Award Interests	—	—	34,839,000	—	—

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	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
				<i>(Unaudited)</i>	
Weighted average number of ordinary shares used in the diluted earnings per share calculation	631,967,000	1,594,492,000	2,624,392,000	2,585,325,000	2,670,000,000
Diluted (loss)/earnings per share (RMB cents)	(6.85)	(28.97)	8.76	(1.20)	4.13

The diluted loss per share is the same as the basic loss per share for the years ended 31 December 2020 and 2021 and the four months ended 30 April 2022 as the Award Interests arrangement had an anti-dilutive effect on the basic loss per share amounts presented.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements	Motor vehicles	Office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2020				
At 1 January 2020:				
Cost	690	5,402	1,837	7,929
Accumulated depreciation and impairment	(25)	(1,318)	(442)	(1,785)
Net carrying amount	<u>665</u>	<u>4,084</u>	<u>1,395</u>	<u>6,144</u>
At 1 January 2020, net of accumulated depreciation and impairment	665	4,084	1,395	6,144
Additions	3,897	5,219	11,267	20,383
Depreciation provided during the year	(1,152)	(1,828)	(1,465)	(4,445)
Disposals	—	(391)	(35)	(426)
At 31 December 2020, net of accumulated depreciation and impairment	<u>3,410</u>	<u>7,084</u>	<u>11,162</u>	<u>21,656</u>
At 31 December 2020:				
Cost	4,587	10,168	13,011	27,766
Accumulated depreciation and impairment	(1,177)	(3,084)	(1,849)	(6,110)
Net carrying amount	<u>3,410</u>	<u>7,084</u>	<u>11,162</u>	<u>21,656</u>

As at 31 December 2020, certain of the Group’s motor vehicles with an aggregate net carrying amount of approximately RMB980,000 were pledged to secure other borrowings granted to the Group (note 27).

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	<u>Leasehold improvements</u>	<u>Machinery equipment</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2021						
At 1 January 2021:						
Cost	4,587	—	10,168	13,011	—	27,766
Accumulated depreciation and impairment	(1,177)	—	(3,084)	(1,849)	—	(6,110)
Net carrying amount	<u>3,410</u>	<u>—</u>	<u>7,084</u>	<u>11,162</u>	<u>—</u>	<u>21,656</u>
At 1 January 2021, net of accumulated depreciation and impairment	3,410	—	7,084	11,162	—	21,656
Additions	6,267	3,964	7,452	13,633	33,046	64,362
Acquisition of subsidiaries (note 34)	—	61	10	354	1,394	1,819
Depreciation provided during the year	(1,788)	(57)	(3,077)	(4,963)	—	(9,885)
Disposals	(59)	—	(457)	(457)	—	(973)
At 31 December 2021, net of accumulated depreciation and impairment	<u>7,830</u>	<u>3,968</u>	<u>11,012</u>	<u>19,729</u>	<u>34,440</u>	<u>76,979</u>
At 31 December 2021:						
Cost	10,633	4,025	16,503	26,426	34,440	92,027
Accumulated depreciation and impairment	(2,803)	(57)	(5,491)	(6,697)	—	(15,048)
Net carrying amount	<u>7,830</u>	<u>3,968</u>	<u>11,012</u>	<u>19,729</u>	<u>34,440</u>	<u>76,979</u>

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	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Machinery equipment</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2022							
At 1 January 2022:							
Cost	—	10,633	4,025	16,503	26,426	34,440	92,027
Accumulated depreciation and impairment	—	(2,803)	(57)	(5,491)	(6,697)	—	(15,048)
Net carrying amount	—	7,830	3,968	11,012	19,729	34,440	76,979
At 1 January 2022, net of accumulated depreciation and impairment	—	7,830	3,968	11,012	19,729	34,440	76,979
Additions	45,652	4,221	9,426	5,230	6,254	79,765	150,548
Acquisition of a subsidiary (note 34)	84,975	—	37,159	865	6,056	27,481	156,536
Depreciation provided during the year	(2,807)	(7,349)	(1,585)	(4,345)	(8,260)	—	(24,346)
Disposals	—	(55)	(391)	(21)	(1,424)	—	(1,891)
Transfers	85,838	—	5,020	—	—	(90,858)	—
At 31 December 2022, net of accumulated depreciation and impairment	213,658	4,647	53,597	12,741	22,355	50,828	357,826
At 31 December 2022:							
Cost	216,465	14,799	55,209	22,450	36,382	50,828	396,133
Accumulated depreciation and impairment	(2,807)	(10,152)	(1,612)	(9,709)	(14,027)	—	(38,307)
Net carrying amount	213,658	4,647	53,597	12,741	22,355	50,828	357,826

As at 31 December 2022, certain of the Group’s buildings and motor vehicles with aggregate net carrying amount of approximately RMB107,138,000 and RMB303,000 were pledged to secure bank and other borrowings granted to the Group, respectively (note 27).

As at 31 December 2022, the Group has obtained the property ownership certificates for all buildings except for the buildings with a carrying amount of RMB73,715,000 in which the Group is in the process of obtaining the certificates.

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	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Machinery equipment</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 April 2023							
At 1 January 2023:							
Cost	216,465	14,799	55,209	22,450	36,382	50,828	396,133
Accumulated depreciation and impairment	(2,807)	(10,152)	(1,612)	(9,709)	(14,027)	—	(38,307)
Net carrying amount	<u>213,658</u>	<u>4,647</u>	<u>53,597</u>	<u>12,741</u>	<u>22,355</u>	<u>50,828</u>	<u>357,826</u>
At 1 January 2023, net of accumulated depreciation and impairment	213,658	4,647	53,597	12,741	22,355	50,828	357,826
Additions	2,120	1,149	5,248	933	1,943	25,209	36,602
Depreciation provided during the period	(4,244)	(1,175)	(2,006)	(1,547)	(3,480)	—	(12,452)
Disposals	—	(489)	(124)	(1)	(915)	—	(1,529)
Transfers	1,096	—	—	—	—	(1,096)	—
At 30 April 2023, net of accumulated depreciation and impairment	<u>212,630</u>	<u>4,132</u>	<u>56,715</u>	<u>12,126</u>	<u>19,903</u>	<u>74,941</u>	<u>380,447</u>
At 30 April 2023:							
Cost	219,681	9,501	60,324	23,380	36,948	74,941	424,775
Accumulated depreciation and impairment	(7,051)	(5,369)	(3,609)	(11,254)	(17,045)	—	(44,328)
Net carrying amount	<u>212,630</u>	<u>4,132</u>	<u>56,715</u>	<u>12,126</u>	<u>19,903</u>	<u>74,941</u>	<u>380,447</u>

As at 30 April 2023, certain of the Group’s buildings and motor vehicles with aggregate net carrying amount of approximately RMB206,505,000 and RMB277,000 were pledged to secure bank and other borrowings granted to the Group, respectively (note 27).

As at 30 April 2023, the Group has obtained the property ownership certificates for all buildings except for the buildings with a carrying amount of RMB72,579,000 in which the Group is in the process of obtaining the certificates.

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	Leasehold improvements	Motor vehicles	Office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2020				
At 1 January 2020:				
Cost	550	—	173	723
Accumulated depreciation and impairment	—	—	(5)	(5)
Net carrying amount	<u>550</u>	<u>—</u>	<u>168</u>	<u>718</u>
At 1 January 2020, net of accumulated depreciation and impairment	550	—	168	718
Additions	2,936	1,108	6,441	10,485
Depreciation provided during the year	(793)	(95)	(604)	(1,492)
Disposals	—	—	(3)	(3)
At 31 December 2020, net of accumulated depreciation and impairment	<u>2,693</u>	<u>1,013</u>	<u>6,002</u>	<u>9,708</u>
At 31 December 2020:				
Cost	3,486	1,108	6,611	11,205
Accumulated depreciation and impairment	(793)	(95)	(609)	(1,497)
Net carrying amount	<u>2,693</u>	<u>1,013</u>	<u>6,002</u>	<u>9,708</u>
31 December 2021				
At 1 January 2021:				
Cost	3,486	1,108	6,611	11,205
Accumulated depreciation and impairment	(793)	(95)	(609)	(1,497)
Net carrying amount	<u>2,693</u>	<u>1,013</u>	<u>6,002</u>	<u>9,708</u>
At 1 January 2021, net of accumulated depreciation and impairment	2,693	1,013	6,002	9,708
Additions	684	1,358	7,067	9,109
Depreciation provided during the year	(1,684)	(359)	(2,742)	(4,785)
At 31 December 2021, net of accumulated depreciation and impairment	<u>1,693</u>	<u>2,012</u>	<u>10,327</u>	<u>14,032</u>
At 31 December 2021:				
Cost	4,170	2,466	13,678	20,314
Accumulated depreciation and impairment	(2,477)	(454)	(3,351)	(6,282)
Net carrying amount	<u>1,693</u>	<u>2,012</u>	<u>10,327</u>	<u>14,032</u>

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	Leasehold improvements	Motor vehicles	Office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2022				
At 1 January 2022:				
Cost	4,170	2,466	13,678	20,314
Accumulated depreciation and impairment	(2,477)	(454)	(3,351)	(6,282)
Net carrying amount	<u>1,693</u>	<u>2,012</u>	<u>10,327</u>	<u>14,032</u>
At 1 January 2022, net of accumulated depreciation and impairment	1,693	2,012	10,327	14,032
Additions	1,832	—	827	2,659
Depreciation provided during the year	(3,126)	(585)	(3,993)	(7,704)
Disposals	—	—	(896)	(896)
At 31 December 2022, net of accumulated depreciation and impairment	<u>399</u>	<u>1,427</u>	<u>6,265</u>	<u>8,091</u>
At 31 December 2022:				
Cost	6,002	2,466	13,004	21,472
Accumulated depreciation and impairment	(5,603)	(1,039)	(6,739)	(13,381)
Net carrying amount	<u>399</u>	<u>1,427</u>	<u>6,265</u>	<u>8,091</u>

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	Leasehold improvements	Motor vehicles	Office equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 April 2023				
At 1 January 2023:				
Cost	6,002	2,466	13,004	21,472
Accumulated depreciation and impairment	(5,603)	(1,039)	(6,739)	(13,381)
Net carrying amount	<u>399</u>	<u>1,427</u>	<u>6,265</u>	<u>8,091</u>
At 1 January 2023, net of accumulated depreciation and impairment				
	399	1,427	6,265	8,091
Additions	—	432	264	696
Depreciation provided during the period	—	(195)	(1,254)	(1,449)
Disposals	(399)	—	(129)	(528)
At 30 April 2023, net of accumulated depreciation and impairment	<u>—</u>	<u>1,664</u>	<u>5,146</u>	<u>6,810</u>
At 30 April 2023:				
Cost	—	2,898	12,934	15,832
Accumulated depreciation and impairment	—	(1,234)	(7,788)	(9,022)
Net carrying amount	<u>—</u>	<u>1,664</u>	<u>5,146</u>	<u>6,810</u>

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15. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises and plant used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises and plant generally have lease terms between 2 and 5 years.

(a) Right-of-use assets

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

Group

	Office premises and plant	Leasehold land	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2020	8,505	—	8,505
Additions	33,237	—	33,237
Depreciation charge	(8,135)	—	(8,135)
As at 31 December 2020 and 1 January 2021	33,607	—	33,607
Additions	35,739	—	35,739
Acquisition of subsidiaries (<i>note 34</i>)	11,553	22,123	33,676
Depreciation charge	(21,566)	(148)	(21,714)
Early termination of leases	(893)	—	(893)
As at 31 December 2021 and 1 January 2022	58,440	21,975	80,415
Additions	23,100	—	23,100
Acquisition of a subsidiary (<i>note 34</i>)	558	79,762	80,320
Depreciation charge	(30,574)	(625)	(31,199)
Early termination of leases	(306)	—	(306)
As at 31 December 2022 and 1 January 2023	<u>51,218</u>	<u>101,112</u>	<u>152,330</u>
Additions	9,683	—	9,683
Depreciation charge	(10,395)	(871)	(11,266)
Early termination of leases	(1,047)	—	(1,047)
As at 30 April 2023	<u>49,459</u>	<u>100,241</u>	<u>149,700</u>

As at 31 December 2022 and 30 April 2023, the Group has respectively obtained the land use right certificates for all leasehold lands except for the leasehold land with a carrying amount of RMB4,134,000 and RMB4,063,000 in which the Group is in the process of obtaining the certificates.

As at 31 December 2022 and 30 April 2023, certain of the Group’s leasehold land with an aggregate net carrying amount of approximately RMB85,385,000 and RMB90,780,000 were pledged to secure bank borrowings granted to the Group (note 27).

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	Office premises and plant
	<i>RMB'000</i>
31 December 2020	
As at 1 January 2020	2,873
Additions	19,443
Depreciation charge	<u>(3,882)</u>
As at 31 December 2020 and 1 January 2021	18,434
Additions	6,090
Depreciation charge	<u>(8,875)</u>
As at 31 December 2021 and 1 January 2022	15,649
Additions	4,915
Depreciation charge	<u>(9,622)</u>
As at 31 December 2022 and 1 January 2023	<u>10,942</u>
Additions	5,319
Depreciation charge	<u>(2,927)</u>
As at 30 April 2023	<u><u>13,334</u></u>

(b) Lease liabilities

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

Group

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period	7,886	30,951	40,807	39,153
New leases	33,237	35,739	23,100	9,683
Acquisition of a subsidiary (note 34)	—	—	544	—
Accretion of interest recognised during the year/period	912	1,904	1,902	628
Payments	(11,084)	(26,868)	(27,038)	(7,875)
Early termination of leases	—	(919)	(162)	(1,024)
At end of year/period	<u>30,951</u>	<u>40,807</u>	<u>39,153</u>	<u>40,565</u>
Analysed into:				
Current portion	14,079	20,355	19,938	22,919
Non-current portion	<u>16,872</u>	<u>20,452</u>	<u>19,215</u>	<u>17,646</u>

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	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
At beginning of year/period	2,894	17,490	14,534	9,889
New leases	19,443	6,090	4,915	5,319
Accretion of interest recognised during the year/period	465	817	564	192
Payments	(5,312)	(9,863)	(10,124)	(2,253)
At end of year/period	<u>17,490</u>	<u>14,534</u>	<u>9,889</u>	<u>13,147</u>
Analysed into:				
Current portion	7,102	8,709	5,467	7,995
Non-current portion	<u>10,388</u>	<u>5,825</u>	<u>4,422</u>	<u>5,152</u>

The maturity analysis of lease liabilities is disclosed in note 42 to the Historical Financial Information.

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

Group

	Year ended 31 December			Four months ended	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
Interest on lease liabilities	912	1,904	1,902	667	628
Depreciation charge of right-of-use assets	8,135	21,714	31,199	10,309	11,266
(Gain)/loss on early termination of leases	—	(26)	144	—	23
Expense relating to short-term leases	<u>6,082</u>	<u>7,663</u>	<u>8,412</u>	<u>3,250</u>	<u>2,228</u>
Total amount recognised in profit or loss	<u>15,129</u>	<u>31,255</u>	<u>41,657</u>	<u>14,226</u>	<u>14,145</u>

- (d) The total cash outflows for leases are disclosed in note 35(c) to the Historical Financial Information.

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16. GOODWILL

	<i>RMB’000</i>
Cost and net carrying amount at 1 January 2020, 2021 and 2022	—
Acquisition of a subsidiary (<i>note 34</i>)	138,010
	138,010
Cost and net carrying amount at 31 December 2022 and 30 April 2023	138,010

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the cash-generating unit (“CGU”) of Luyi Chengming Business for impairment testing.

The recoverable amount of the Luyi Chengming Business CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets or forecasts approved by senior management covering a five-year period. The long-term growth rate used to extrapolate the cash flows beyond the period are based on the estimated growth rate of the unit taking into account the industry growth rate, past experience and the medium or long-term growth target of the CGU.

The following tables set forth the pre-tax discount rate applied to the cash flow projections, the forecasted average sales growth rate and gross profit margin used to prepare cash flow projections and long-term growth rate used for the dates indicated:

	Average sales growth rates (during the five-year period)	Average gross profit margin (during the five-year period)	Long-term growth rate	Pre-tax discount rate
31 December 2022	15.3%	19.3%	2.3%	20.1%
30 April 2023	13.9%	19.3%	2.3%	20.1%

Assumptions were used in the value in use calculation of Luyi Chengming Business CGU as at 31 December 2022 and 30 April 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill of Luyi Chengming Business CGU:

Budgeted sales amounts — The budgeted sales amounts are based on the historical sales data and market outlook perceived by management.

Budgeted gross margins — The bases used to determine the values assigned to the budgeted gross margins are the average gross margins achieved in the year immediately before the budget year, adjusted for expected efficiency gains and expected market development.

Pre-tax discount rates — The discount rates reflect specific risks relating to the CGU.

The values assigned to the key assumptions on market development of the Luyi Chengming Business CGU and discount rates are consistent with external information sources.

In the opinion of the directors of the Company, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the Luyi Chengming Business CGU to exceed its recoverable amount.

Sensitivity analysis

The recoverable amounts of Luyi chengming is estimated to exceed the carrying amounts by RMB27,866,000 and RMB45,051,000 as at 31 December 2022 and 30 April 2023, respectively. No impairment was recognised accordingly.

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The changes in the following table to assumptions used in the impairment testing review would have, in isolation, led to the Luyi Chengming CGU's recoverable amount to be equal to its carrying value as at 31 December 2022 and 30 April 2023:

	As at 31 December 2022		As at 30 April 2023	
	From	To	From	To
Average sales growth rates (during the five-year period)	15.3%	14.2%	13.9%	12.4%
Average gross profit margin (during the five-year period)	19.3%	18.3%	19.3%	17.9%
Long-term growth rate	2.3%	1.1%	2.3%	0.03%
Pre-tax discount rate	20.1%	21.5%	20.1%	22.4%

17. OTHER INTANGIBLE ASSETS

Group

	Software	Trademarks	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2020			
At 1 January 2020:			
Cost	804	—	804
Accumulated amortisation	(234)	—	(234)
Net carrying amount	<u>570</u>	<u>—</u>	<u>570</u>
Cost at 1 January 2020, net of accumulated amortisation	570	—	570
Additions	4,530	—	4,530
Amortisation provided during the year	(1,253)	—	(1,253)
At 31 December 2020, net of accumulated amortisation	<u>3,847</u>	<u>—</u>	<u>3,847</u>
At 31 December 2020:			
Cost	5,334	—	5,334
Accumulated amortisation	(1,487)	—	(1,487)
Net carrying amount	<u>3,847</u>	<u>—</u>	<u>3,847</u>
31 December 2021			
Cost at 1 January 2021, net of accumulated amortisation			
	3,847	—	3,847
Additions	4,963	—	4,963
Acquisition of subsidiaries (note 34)	113	100	213
Amortisation provided during the year	(2,959)	(1)	(2,960)
At 31 December 2021, net of accumulated amortisation	<u>5,964</u>	<u>99</u>	<u>6,063</u>
At 31 December 2021:			
Cost	10,410	100	10,510
Accumulated amortisation	(4,446)	(1)	(4,447)
Net carrying amount	<u>5,964</u>	<u>99</u>	<u>6,063</u>

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	<u>Software</u>	<u>Trademarks</u>	<u>Patent rights</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2022				
Cost at 1 January 2022, net of accumulated amortisation	5,964	99	—	6,063
Additions	1,242	21	—	1,263
Acquisition of a subsidiary (<i>note 34</i>)	392	56,944	190	57,526
Amortisation provided during the year	(3,267)	(520)	(1)	(3,788)
	<u>4,331</u>	<u>56,544</u>	<u>189</u>	<u>61,064</u>
At 31 December 2022, net of accumulated amortisation	<u>4,331</u>	<u>56,544</u>	<u>189</u>	<u>61,064</u>
At 31 December 2022:				
Cost	12,044	57,065	190	69,299
Accumulated amortisation	(7,713)	(521)	(1)	(8,235)
	<u>4,331</u>	<u>56,544</u>	<u>189</u>	<u>61,064</u>
Net carrying amount	<u>4,331</u>	<u>56,544</u>	<u>189</u>	<u>61,064</u>
30 April 2023				
Cost at 1 January 2023, net of accumulated amortisation	4,331	56,544	189	61,064
Additions	2,339	—	—	2,339
Amortisation provided during the period	(1,087)	(1,914)	(6)	(3,007)
	<u>5,583</u>	<u>54,630</u>	<u>183</u>	<u>60,396</u>
At 30 April 2023, net of accumulated amortisation	<u>5,583</u>	<u>54,630</u>	<u>183</u>	<u>60,396</u>
At 30 April 2023:				
Cost	14,383	57,065	190	71,638
Accumulated amortisation	(8,800)	(2,435)	(7)	(11,242)
	<u>5,583</u>	<u>54,630</u>	<u>183</u>	<u>60,396</u>
Net carrying amount	<u>5,583</u>	<u>54,630</u>	<u>183</u>	<u>60,396</u>

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Company

	<u>Software</u>
	<i>RMB'000</i>
31 December 2020	
At 1 January 2020:	
Cost	—
Accumulated amortisation	—
	<u>—</u>
Net carrying amount	<u>—</u>
Cost at 1 January 2020, net of accumulated amortisation	—
Additions	4,514
Amortisation provided during the year	(997)
	<u>3,517</u>
At 31 December 2020, net of accumulated amortisation	<u>3,517</u>
At 31 December 2020:	
Cost	4,514
Accumulated amortisation	(997)
	<u>3,517</u>
Net carrying amount	<u>3,517</u>
31 December 2021	
Cost at 1 January 2021, net of accumulated amortisation	3,517
Additions	4,963
Amortisation provided during the year	(2,739)
	<u>5,741</u>
At 31 December 2021, net of accumulated amortisation	<u>5,741</u>
At 31 December 2021:	
Cost	9,477
Accumulated amortisation	(3,736)
	<u>5,741</u>
Net carrying amount	<u>5,741</u>
31 December 2022	
Cost at 1 January 2022, net of accumulated amortisation	5,741
Additions	1,227
Amortisation provided during the year	(3,007)
	<u>3,961</u>
At 31 December 2022, net of accumulated amortisation	<u>3,961</u>
At 31 December 2022:	
Cost	10,704
Accumulated amortisation	(6,743)
	<u>3,961</u>
Net carrying amount	<u>3,961</u>

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	Software
	<i>RMB’000</i>
30 April 2023	
Cost at 1 January 2023, net of accumulated amortisation	3,961
Additions	2,339
Amortisation provided during the period	(1,033)
At 30 April 2023, net of accumulated amortisation	5,267
At 30 April 2023:	
Cost	13,044
Accumulated amortisation	(7,777)
Net carrying amount	5,267

18. INVESTMENT IN AN ASSOCIATE

	As at 31 December 2022 and 30 April 2023
	RMB’000
Share of net assets	2,000

In December 2022, the Group injected capital of RMB2,000,000 for the formation of an associate.

Details of the Group’s associate as at 31 December 2022 and 30 April 2023 are as follows:

Name	Place of incorporation	Proportion of nominal value of registered capital held by the Group	Proportion of voting power held	Principal activities
Henan Maojiu Xiaopu Business Management Co., Ltd.	the PRC	20%	20%	Management service

As at 31 December 2022 and 30 April 2023, the carrying amount of Group’s investment in an associate is RMB2,000,000, which is not considered as material to the Historical Financial Information of the Group.

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

Group

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Equity investments designated at fair value through OCI				
Unlisted equity investments, at fair value				
Luyi Chengming	6,250	8,250	—	—
Beihai Daixiaji Food Co., Ltd. (“Daixiaji”)	—	50,000	57,260	56,682
Lekou Xiamen Technology Co., Ltd. (“Lekou Xiamen”)	—	37,500	41,578	36,412
	<u>6,250</u>	<u>95,750</u>	<u>98,838</u>	<u>93,094</u>

The above equity investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

In November 2020, the Group acquired a 2.5% of equity interest in Luyi Chengming, which is a limited liability company engaged in processing and sale of hotpot sauce and condiment products in Mainland China. Following the further acquisition of Luyi Chengming in November 2022, the Group owns a 77.3% equity interest and obtained the control of Luyi Chengming. As a result, the Group consolidated Luyi Chengming since then.

20. OTHER NON-CURRENT ASSETS

Group

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Prepayment for property, plant and equipment	—	11,696	24,141	21,215
Prepayment for other intangible assets	5,467	6,419	6,816	5,352
	<u>5,467</u>	<u>18,115</u>	<u>30,957</u>	<u>26,567</u>

Company

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
Prepayment for other intangible assets	5,467	6,419	6,406	4,752

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21. DEFERRED TAX

Group

The movements in deferred tax assets during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 are as follows:

	Losses available for offsetting against future taxable profits	Deductible advertising expenses in the future	Lease liabilities	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2020	976	1,967	1,971	15,500	20,414
Deferred tax credited/(charged) to the consolidated statements of profit or loss during the year	13,238	(184)	5,767	5,013	23,834
Gross deferred tax assets at 31 December 2020	14,214	1,783	7,738	20,513	44,248
At 1 January 2021	14,214	1,783	7,738	20,513	44,248
Deferred tax credited to the consolidated statements of profit or loss during the year	130,664	202	2,464	6,783	140,113
Acquisition of a subsidiary (note 34)	269	—	—	—	269
Gross deferred tax assets at 31 December 2021	145,147	1,985	10,202	27,296	184,630
At 1 January 2022	145,147	1,985	10,202	27,296	184,630
Deferred tax (charged)/credited to the consolidated statements of profit or loss during the year	(69,826)	(1,678)	(414)	10,602	(61,316)
Gross deferred tax assets at 31 December 2022	75,321	307	9,788	37,898	123,314
At 1 January 2023	75,321	307	9,788	37,898	123,314
Deferred tax (charged)/credited to the consolidated statements of profit or loss during the period	(38,197)	(41)	353	(489)	(38,374)
Gross deferred tax assets at 30 April 2023	37,124	266	10,141	37,409	84,940

As at 31 December 2020, 2021 and 2022 and 30 April 2023, deferred tax assets have not been recognised in respect of tax losses of RMB35,604,000, RMB54,429,000, RMB83,973,000, RMB95,825,000 arising in Mainland China, respectively, which will expire in one to five years for offsetting against future taxable profits.

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Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

The movements in deferred tax liabilities during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 are as follows:

	Right-of-use assets	Unrealised gains from equity investments designated at fair value through OCI	Unrealised gains from financial assets at fair value through profit or loss	Assets revaluation arising from business combinations	Accelerated tax depreciation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	2,126	—	—	—	—	2,126
Deferred tax charged to the consolidated statements of profit or loss during the year	6,276	—	—	—	—	6,276
Gross deferred tax liabilities at 31 December 2020	8,402	—	—	—	—	8,402
At 1 January 2021	8,402	—	—	—	—	8,402
Deferred tax charged to the consolidated statements of profit or loss during the year	2,637	—	—	—	—	2,637
Deferred tax charged to OCI	—	500	—	—	—	500
Gross deferred tax liabilities at 31 December 2021	11,039	500	—	—	—	11,539
At 1 January 2022	11,039	500	—	—	—	11,539
Deferred tax (credited)/charged to the consolidated statements of profit or loss during the year	(728)	—	14,542	(857)	2,866	15,823
Deferred tax charged to OCI	—	2,959	—	—	—	2,959
Acquisition of a subsidiary (note 34)	—	—	—	37,820	—	37,820
Gross deferred tax liabilities at 31 December 2022	10,311	3,459	14,542	36,963	2,866	68,141
At 1 January 2023	10,311	3,459	14,542	36,963	2,866	68,141
Deferred tax (credited)/charged to the consolidated statements of profit or loss during the period	50	—	4,806	(51)	(851)	3,954
Deferred tax charged to OCI	—	(1,436)	—	—	—	(1,436)
Gross deferred tax liabilities at 30 April 2023	10,361	2,023	19,348	36,912	2,015	70,659

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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 purposes:

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
Net deferred tax assets recognised in the consolidated statements of financial position	35,846	174,303	116,534	78,792
Net deferred tax liabilities recognised in the consolidated statements of financial position	—	1,212	61,361	64,511

Company

The movements in deferred tax assets during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 are as follows:

	Losses available for offsetting against future taxable profits	Deductible advertising expenses in the future	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2020	392	226	723	12,582	13,923
Deferred tax (charged)/ credited to the statements of profit or loss during the year	(392)	(226)	3,650	4,103	7,135
Gross deferred tax assets at 31 December 2020	—	—	4,373	16,685	21,058
At 1 January 2021	—	—	4,373	16,685	21,058
Deferred tax credited/(charged) to the statements of profit or loss during the year	98,020	—	(739)	3,363	100,644
Gross deferred tax assets at 31 December 2021	98,020	—	3,634	20,048	121,702

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	Losses available for offsetting against future taxable profits	Deductible advertising expenses in the future	Lease liabilities	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022	98,020	—	3,634	20,048	121,702
Deferred tax (charged)/credited to the statements of profit or loss during the year	(65,277)	—	(1,162)	431	(66,008)
Gross deferred tax assets at 31 December 2022	32,743	—	2,472	20,479	55,694
At 1 January 2023	32,743	—	2,472	20,479	55,694
Deferred tax (charged)/credited to the statements of profit or loss during the period	(29,765)	—	815	98	(28,852)
Gross deferred tax assets at 30 April 2023	2,978	—	3,287	20,577	26,842

The movements in deferred tax liabilities during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023 are as follows:

	Right-of-use assets
	<i>RMB'000</i>
At 1 January 2020	718
Deferred tax charged to the statements of profit or loss during the year	3,891
Gross deferred tax liabilities at 31 December 2020	4,609
At 1 January 2021	4,609
Deferred tax credited to the statements of profit or loss during the year	(697)
Gross deferred tax liabilities at 31 December 2021	3,912
At 1 January 2022	3,912
Deferred tax credited to the statements of profit or loss during the year	(1,176)
Gross deferred tax liabilities at 31 December 2022	2,736
At 1 January 2023	2,736
Deferred tax credited to the statements of profit or loss during the period	597
Gross deferred tax liabilities at 30 April 2023	3,333

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

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the statements of financial position	16,449	117,790	52,958	23,509
Net deferred tax liabilities recognised in the statements of financial position	—	—	—	—

22. INVENTORIES

Group

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	—	33,544	94,774	124,730
Finished goods	646,588	568,072	956,528	432,119
Provision for impairment of inventories	—	—	(3,898)	(6,221)
	<u>646,588</u>	<u>601,616</u>	<u>1,047,404</u>	<u>550,628</u>

For the year ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, the impairment of inventories recognised in cost of sales amounted to nil, nil, RMB3,898,000 and RMB2,323,000, respectively.

Company

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Finished goods	<u>646,289</u>	<u>546,629</u>	<u>856,670</u>	<u>311,887</u>

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23. TRADE RECEIVABLES

Group

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Trade receivables	—	15,316	139,335	141,700
Impairment	—	(426)	(5,010)	(11,472)
	—	14,890	134,325	130,228

Included in the Group's trade receivables are amounts due from the related parties of nil, nil, RMB10,357,000 and RMB3,742,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023 respectively, which are recoverable within one year.

Advance payment is normally required for the sale to franchisees in Mainland China except for direct sales customers where credits are granted. The credit period is generally one month, extending up to six months for major direct sales customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at 31 December 2020, 2021 and 2022 and 30 April 2023, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Within 1 month	—	10,118	51,494	10,432
1 to 3 months	—	4,198	80,681	35,364
3 to 6 months	—	574	684	78,373
6 to 12 months	—	—	1,182	6,048
1 to 2 years	—	—	284	11
	—	14,890	134,325	130,228

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

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
At beginning of year/period	—	—	426	5,010
Impairment loss, net	—	426	4,584	6,462
At end of year/period	—	426	5,010	11,472

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The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the days past due of the trade receivables to measure the expected credit losses. Majority of the receivables were neither past due nor impaired and relate to diversified customers for whom there was no recent history of default and in general, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The ECLs below incorporate forward-looking information. The impairment as of 31 December 2021, 2022 and 30 April 2023 is determined as follows:

	Past due					Total
	Current	Within 3 months	3 to 6 months	6 to 12 months	1 to 2 years	
At 31 December 2021						
Expected credit loss rate	1.11%	6.15%	—	—	—	—
Gross carrying amount	10,239	5,077	—	—	—	15,316
Loss allowance provision	114	312	—	—	—	426
At 31 December 2022						
Expected credit loss rate	0.61%	3.33%	9.25%	36.91%	100.00%	—
Gross carrying amount	51,808	84,032	800	1,387	1,308	139,335
Loss allowance provision	314	2,802	74	512	1,308	5,010
At 30 April 2023						
Expected credit loss rate	0.72%	3.46%	9.53%	41.18%	100.00%	100.00%
Gross carrying amount	10,507	51,978	76,061	1,372	1,347	435
Loss allowance provision	76	1,801	7,248	565	1,347	435

Company

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	—	5,365	6,385	4,724
Impairment	—	(288)	(306)	(354)
	—	5,077	6,079	4,370

An ageing analysis of the trade receivables as at 31 December 2020, 2021 and 2022 and 30 April 2023, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 month	—	2,810	6,070	207
1 to 3 months	—	1,692	9	762
3 to 6 months	—	575	—	3,401
	—	5,077	6,079	4,370

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

	2020	2021	2022	As at 30 April 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period	—	—	288	306
Impairment loss, net	—	288	18	48
At end of year/period	—	288	306	354

The impairment as of 31 December 2021, 2022 and 30 April 2023 is determined as follows:

	Current	Past due				Total
		Within 3 months	3 to 6 months	6 to 12 months	1 to 2 years	
At 31 December 2021						
Expected credit loss rate	4.81%	6.05%	—	—	—	
Gross carrying amount	2,953	2,412	—	—	—	5,365
Loss allowance provision	142	146	—	—	—	288
At 31 December 2022						
Expected credit loss rate	4.67%	9.09%	—	60.00%	100.00%	
Gross carrying amount	6,362	11	—	10	2	6,385
Loss allowance provision	297	1	—	6	2	306
At 30 April 2023						
Expected credit loss rate	5.05%	6.19%	8.14%	—	100.00%	
Gross carrying amount	218	1,454	3,047	—	5	4,724
Loss allowance provision	11	90	248	—	5	354

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments	170,601	297,949	230,092	331,378
Deposits	39,872	37,515	28,124	28,810
Receivables due from online payment platforms	—	16,957	61,455	3,531
Recoverable VAT	46,592	60,478	61,800	69,929
Amounts due from related parties (trade in nature)	19,236	49,734	22,063	20,605
Others	17,761	16,672	36,580	57,643
	294,062	479,305	440,114	511,896

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Company

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB’000	RMB’000	RMB’000	2023
Prepayments	167,630	218,407	87,606	184,182
Deposits	38,342	33,840	23,166	24,056
Amounts due from related parties	19,236	49,734	21,078	19,595
Recoverable VAT	46,592	46,964	30,274	42,242
Receivables due from online payment platforms	—	16,957	11,379	3,531
Others	11,060	10,751	29,036	49,467
	<u>282,860</u>	<u>376,653</u>	<u>202,539</u>	<u>323,073</u>

Included in the Group’s and the Company’s prepayments, other receivables and other assets are prepayments to the related parties of RMB9,225,000, RMB39,730,000, RMB22,063,000 and RMB20,605,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023 respectively, and deposits due from the related parties of RMB10,011,000, RMB10,004,000, nil and nil as at 31 December 2020, 2021 and 2022 and 30 April 2023 respectively, which are recoverable within one year.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at the end of each of the Relevant Periods, the loss allowance was assessed to be minimal.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB’000	RMB’000	RMB’000	2023
Current portion				
Wealth management products (i)	—	200,334	50,067	210,257
Non-current Portion				
Unlisted convertible redeemable preferred shares (ii)	—	129,708	187,875	207,101
	<u>—</u>	<u>330,042</u>	<u>237,942</u>	<u>417,358</u>

Company

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB’000	RMB’000	RMB’000	2023
Wealth management products (i)	—	200,334	50,067	210,257

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- (i) The Group and the Company entered into a series of wealth management products with banks in Mainland China. The investments are principal guaranteed. The expected rates of return ranged from 1.30% to 3.79% per annum during the Relevant Periods.
- (ii) The Group held certain unlisted convertible redeemable preferred shares, whereby the Group has the option to either convert preferred shares into shares of the investee or withdraw funds from the investee.

26. LONG-TERM BANK DEPOSITS, CASH AND BANK BALANCES AND RESTRICTED CASH

Group

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Long-term bank deposits	—	181,223	526,208	500,698
Cash on hand and cash at bank	100,821	417,573	694,954	543,148
Short-term bank deposits	—	210,000	—	80,000
Cash and bank balances	100,821	627,573	694,954	623,148
Restricted cash	27,123	33,474	42,164	45,639

The long-term bank deposits, cash and bank balances and restricted cash are denominated in the following currencies:

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Long-term bank deposits				
RMB	—	181,223	526,208	500,698
Cash and bank balances denominated in				
RMB	100,821	627,566	692,016	623,043
USD	—	7	8	8
HKD	—	—	2,930	97
	100,821	627,573	694,954	623,148
Restricted cash				
RMB	27,123	33,474	42,164	45,639

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	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Long-term bank deposits	—	181,223	526,208	500,698
Cash at bank	82,241	368,507	565,133	448,384
Short-term bank deposits	—	180,000	—	30,000
Cash and bank balances	82,241	548,507	565,133	478,384

The long-term bank deposits and cash and bank balances are denominated in the following currencies:

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Long-term bank deposits				
RMB	—	181,223	526,208	500,698
Cash and bank balances denominated in				
RMB	82,241	548,500	565,126	478,377
USD	—	7	7	7
	82,241	548,507	565,133	478,384

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. The bank deposits are made for varying periods of between one year and three years depending on the cash management of the Group. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

Restricted cash of RMB27,123,000, RMB33,474,000, RMB42,164,000 and RMB45,639,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively was reserved for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of PRC.

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28. TRADE PAYABLES

An ageing analysis of the trade payables as at 31 December 2020, 2021 and 2022 and 30 April 2023, based on the invoice date, is as follows:

Group

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Within 1 month	87,756	175,777	531,637	126,734
1 to 3 months	8,655	3,087	40,629	44,428
3 to 6 months	667	470	1,891	20,817
6 months to 1 year	83	1,631	1,362	760
Over 1 year	244	28	1,962	2,947
	<u>97,405</u>	<u>180,993</u>	<u>577,481</u>	<u>195,686</u>

Company

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2023</i>
Within 1 month	87,712	152,787	440,285	92,687
1 to 3 months	8,655	2,907	10,657	10,208
3 to 6 months	667	468	332	5,099
6 months to 1 year	83	1,620	136	137
Over 1 year	244	28	1,231	1,222
	<u>97,361</u>	<u>157,810</u>	<u>452,641</u>	<u>109,353</u>

Trade payables are non-interest-bearing and normally settled within 30 days.

Included in the Group's trade payables are amounts due to a related party of nil, RMB10,349,000, RMB7,083,000 and RMB17,880,000 as at 31 December 2020, 2021 and 2022 and 30 April 2023, respectively.

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29. OTHER PAYABLES AND ACCRUALS

Group

	Notes	As at 31 December			As at
		2020	2021	2022	30 April
		RMB'000	RMB'000	RMB'000	2023
				RMB'000	
Staff salaries, bonuses and welfare payables		47,486	88,597	115,829	84,196
Other payables for property, plant and equipment		—	6,727	39,104	24,021
Other tax payables		18,594	23,037	40,550	15,372
Contract liabilities	i	54,663	61,398	91,140	76,006
Deposits	ii	46,822	72,803	111,525	117,901
Collection of the sales of franchised stores on behalf of franchisees	iii	6,911	2,263	2,509	574
Receipt on behalf of franchisees for prepaid cards	iv	67,808	83,687	118,223	114,048
Accrued expenses		14,276	29,354	54,320	26,297
Other payables		18,451	13,064	16,319	17,704
		<u>275,011</u>	<u>380,930</u>	<u>589,519</u>	<u>476,119</u>

(i) Details of contract liabilities are as follows:

	As at 31 December			As at
	2020	2021	2022	30 April
	RMB'000	RMB'000	RMB'000	2023
				RMB'000
<i>Short-term advances received from customers</i>				
Sale of home meal and other food related products	23,422	20,920	22,190	15,954
Operational support service fee	31,241	40,478	68,950	60,052
Total contract liabilities	<u>54,663</u>	<u>61,398</u>	<u>91,140</u>	<u>76,006</u>

The contract liabilities changed during the Relevant Periods due to fluctuation in operational support service fee with advanced payments.

- (ii) The balance represents the refundable initial deposit received from franchisees upon entering into franchise agreements.
- (iii) The amount would normally be repaid to the franchisees on a daily basis, subject to provisions set out in the franchise agreements.
- (iv) Receipt of sales proceeds from prepaid cards represents the advance receipts from the end customers who add value to their prepaid cards. The Group receives the amount on behalf of franchisees and such amount is settled when the end customers use the cards to purchase goods in stores.

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	Note	As at 31 December			As at
		2020	2021	2022	30 April
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023
Contract liabilities	i	11,738	24,760	23,059	8,382
Staff salaries, bonuses and welfare payables		14,126	34,507	26,997	16,565
Deposits		100	100	8,040	7,840
Other tax payables		9,069	21,181	26,774	8,588
Accrued expenses		13,239	27,321	49,358	15,381
Other payables		3,299	4,788	4,340	9,822
		<u>51,571</u>	<u>112,657</u>	<u>138,568</u>	<u>66,578</u>

(i) Details of contract liabilities are as follows:

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2023
Short-term advances received from customers				
Sale of home meal and other food related products	11,738	24,760	23,059	8,382

The Company's contract liabilities as at 1 January 2020, 2021, 2022 and 2023 were fully recognised as revenue for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, respectively.

30. DEFERRED INCOME

Group

	As at	As at
	31 December	30 April
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	<u>7,335</u>	<u>7,132</u>

Movements in government grants of the Group during the Relevant Periods are as follows:

	As at	As at
	31 December	30 April
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period	—	7,335
Government grants received	7,671	—
Credited to the consolidated statements of profit or loss during the year/period	(336)	(203)
	<u>7,335</u>	<u>7,132</u>

The Group received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

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31. PAID-IN CAPITAL/SHARE CAPITAL

A summary of movements in the Company’s issued paid-in capital during the Relevant Periods is as follows:

Share capital

	Notes	Total <i>RMB’000</i>
Issued and fully paid as at 1 January 2020, 31 December 2020, 31 December 2021 and 31 December 2022		—
Issue of ordinary shares upon conversion into a joint stock company	e	2,670,000
As at 30 April 2023		<u>2,670,000</u>
At 1 January 2020		2,078
Capitalisation of other borrowings	a	325
Capital injection	b	4,466
At 31 December 2020 and at 1 January 2021		6,869
Capital injection	c	13,732
At 31 December 2021 and at 1 January 2022		20,601
Capital issued for acquisition of a subsidiary	d	392
At 31 December 2022 and at 1 January 2023		20,993
Conversion into a joint stock company	e	(20,993)
At 30 April 2023		<u>—</u>

(a) In December 2019, the Company entered into a capital increase agreement with Suzhou Yizhong Venture Capital Partnership (Limited Partnership). According to the supplementary agreement entered in April 2020, total capital of RMB30,000,000 was to be contributed to the Company by capitalisation of the loans from the above investor with approximately RMB325,000 and RMB29,675,000 credited to the Company’s paid-in capital and capital reserve.

(b) In October 2019, the Company entered into a capital increase agreement with Huzhou Buqizhiqi Equity Investment Partnership (Limited Partnership). In April 2020, total capital of RMB12,000,000 was to be injected into the Company by Huzhou Buqizhiqi Equity Investment Partnership (Limited Partnership) for the initial subscription with approximately RMB223,000 and RMB11,777,000 credited to the Company’s capital and reserves, respectively.

In December 2019, the Company entered into a capital increase agreement with Famous Wealthy Limited, Generation One Holdings Ltd. and Huzhou Buqizhiqi Equity Investment Partnership (Limited Partnership). According to the agreement, total capital of RMB225,394,000 was to be injected into the Company by the above investors with approximately RMB2,418,000 and RMB222,976,000 credited to the Company’s paid-in capital and capital reserve, respectively. During the year ended 31 December 2020, 100% of the total capital was contributed by these investors.

In July 2020, the Company entered into a capital increase agreement with Famous Wealthy Limited, Generation One Holdings Ltd., Generation Pi HK Investment Limited, Lighthouse Development (HK) Limited and Buhuovc Platinum Limited. According to the agreement, total capital of RMB380,777,000 was to be injected into the Company by the above investors with approximately RMB1,825,000 and RMB378,952,000 credited to the Company’s paid-in capital and capital reserve, respectively. During the year ended 31 December 2020, 100% of the total capital was contributed by these investors.

(c) In March 2021, the Company entered into a capital increase agreement with Chongqing Zhaoying Longyao Growth Phase II Equity Investment Fund Partnership (Limited Partnership), Generation Pi HK Investment Limited, Tiantu China Consumer Fund II Limited, Chengdu Quanyi Food Co., Ltd., TN Titanium Limited, Oakwise Consumer Trends Investment Limited and Mr. Wang Hongbo. According to the agreement, total capital of RMB1,550,209,000 was to be injected into the Company by the above investors with approximately RMB2,766,000 and RMB1,547,443,000 credited to the Company’s paid-in capital and capital reserve, respectively. During the year ended 31 December 2021, 100% of the total capital was contributed by these investors.

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In August 2021, the Company entered into a capital increase agreement with Shenzhen Tongfu Trading Co., LTD., Maotai (Guizhou) Investment Fund (Limited Partnership) and Shenzhen Xintonglu Supply Chain Technology Co., Ltd. According to the agreement, total capital of RMB308,446,000 was to be injected into the Company by the above investors with approximately RMB550,000 and RMB307,896,000 credited to the Company's paid-in capital and capital reserve, respectively. During the year ended 31 December 2021, 100% of the total capital was contributed by these investors.

In August 2021, the equity holders of the Company, Mr. Yang Mingchao, Mr. Li Xinhua, Mr. Meng Xianjin, Shanghai Guoxiaoquan Enterprise Management Center (Limited Partnership) and Shanghai Guoxiaoquan Agricultural Technology Service Center (Limited Partnership) had paid up the registered capital of the initial subscription amounting to RMB10,416,000.

- (d) In November 2022, the Company entered into a share purchase and merger agreement with certain equity holders of Luyi Chengming, pursuant to which total capital of approximately RMB261,791,000 was issued by the Company in exchange for a 74.8% equity interest in Luyi Chengming, with RMB392,000 and RMB261,399,000 credited to the Company's paid-in capital and capital reserve, respectively.
- (e) In February 2023, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including paid-in capital and reserves, amounting to approximately RMB2,678,174,000 were converted into 2,670,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

32. GRANT OF THE AWARD INTERESTS TO TWO DIRECTORS OF THE COMPANY

In October 2019, pursuant to the Award Interests Arrangement approved by the board of directors of the Company, Award Interests of RMB823,118 registered capital was granted to Shanghai Guoxiaoquan Enterprise Management Center (Limited Partnership) ("Guoxiaoquan EM"), which is owned as to 80% by a director of the Company, Mr. Yang Mingchao and 20% by another director of the Company, Mr An Haolei. Such Award Interests were granted to incentivise them to further promote the Company's franchise network expansion. These Award Interests granted shall be subject to a performance-based vesting condition, which means that the Company's performance targets of 2020, 2021 and 2022 shall be assessed as the unlocking conditions. Subject to the satisfaction of the performance condition, the Award Interests held shall be unlocked in the proportion up to 1/3 of the total number of the Award Interests granted provided that the 2020, 2021 or 2022 performance targets had been met.

The fair value of the Award Interests granted during the year ended 31 December 2019 was determined at RMB34,505,000, and the Group recognised share-based payment expenses of RMB16,415,000, RMB10,262,000, RMB4,604,000 and RMB1,535,000 in profit or loss for the above mentioned 823,118 Award Interests granted to the two directors for the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022, respectively.

33. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity in the Historical Financial Information.

(i) *Statutory reserve*

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

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(ii) *Capital reserve*

The capital reserve of the Group represents the excess of the consideration received for subscription of the registered capital of the Company and costs borne by the controlling shareholders, Mr. Yang Mingchao, Mr. Meng Xianjin and Mr. Li Xinhua in prior years.

(b) **Company**

	Capital reserve	(Accumulated losses)/ Retained earnings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2020	118,053	(51,307)	66,746
Profit for the year	—	41,248	41,248
Equity-settled Award Interests arrangement	16,415	—	16,415
Capitalisation of other borrowings	29,675	—	29,675
Capital injection from investors	613,704	—	613,704
As at 31 December 2020 and 1 January 2021	<u>777,847</u>	<u>(10,059)</u>	<u>767,788</u>
Loss for the year	—	(325,280)	(325,280)
Equity-settled Award Interests arrangement	10,262	—	10,262
Capital injection from investors	1,855,339	—	1,855,339
As at 31 December 2021 and 1 January 2022	<u>2,643,448</u>	<u>(335,339)</u>	<u>2,308,109</u>
Profit for the year	—	189,284	189,284
Equity-settled Award Interests arrangement	4,604	—	4,604
Capital issued for acquisition of a subsidiary	261,399	—	261,399
As at 31 December 2022 and 1 January 2023	<u>2,909,451</u>	<u>(146,055)</u>	<u>2,763,396</u>
Profit for the period	—	86,900	86,900
Conversion into a joint stock company	(2,808,272)	159,265	(2,649,007)
As at 30 April 2023	<u>101,179</u>	<u>100,110</u>	<u>201,289</u>

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34. BUSINESS COMBINATIONS

In February 2021, the Company entered into a share purchase agreement with third parties to acquire 100% equity interests of Henan Guoxiaoquan Electronic Commerce Co., Ltd. (“Guoxiaoquan”) for an aggregate purchase price of RMB2,475,000 in cash. Guoxiaoquan is principally engaged in development of information technology. The acquisition was made as part of the Group’s strategy to support its sale of products through e-commerce platforms. The acquisition was consummated in February 2021.

The fair values of the identifiable assets and liabilities of Guoxiaoquan as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition
		<i>RMB’000</i>
Property, plant and equipment	14	130
Deferred tax assets	21	269
Prepayments, other receivables and other assets		3,845
Cash and bank balances		515
Other payables and accruals		<u>(2,284)</u>
Total identifiable net assets at fair value		<u>2,475</u>
Satisfied by cash		<u><u>2,475</u></u>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB’000</i>
Cash consideration	(2,475)
Cash and cash equivalents acquired	<u>515</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	<u><u>(1,960)</u></u>

The fair values of the other receivables as at the date of acquisition amounted to RMB3,760,000. The gross contractual amounts of other receivables were RMB3,762,000 of which RMB2,000 are expected to be uncollectible.

Since the acquisition, Guoxiaoquan contributed RMB6,000,000 to the Group’s revenue and caused a loss of RMB3,981,000 to the consolidated loss of the Group for the year ended 31 December 2021.

Had the combination taken place at the beginning of 2021, the revenue and the loss of the Group for the year would have been RMB3,957,804,000 and RMB461,198,000 respectively.

In August 2021, Guoquan Investment Management (Shanghai) Co., Ltd., a subsidiary of the Company, entered into a share purchase agreement with third parties to acquire 51% equity interests of Luyi Heyi Meat Industry Co., Ltd. (“Luyi Heyi”) at nil consideration. Luyi Heyi is principally engaged in processing and sale of meat products. The acquisition was made as part of the Group’s strategy to enhance the production and manufacture of meat. The acquisition was consummated in August 2021.

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The fair values of the identifiable assets and liabilities of Luyi Heyi as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition
		<i>RMB’000</i>
Property, plant and equipment	14	795
Other intangible assets	17	149
Right-of-use assets	15(a)	23,384
Inventories		2,769
Trade receivables		624
Prepayments, other receivables and other assets		15,067
Cash and bank balances		3,030
Trade payables		(8,987)
Other payables and accruals		(36,781)
		<hr/>
Total identifiable net assets at fair value		50
Non-controlling interests		(25)
		<hr/>
Gain on bargain purchase recognised in other income and gains in the consolidated statements of profit or loss		(25)
		<hr/>
Satisfied by cash		—
		<hr/> <hr/>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB’000</i>
Cash consideration	—
Cash and cash equivalents acquired	3,030
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	3,030
	<hr/> <hr/>

The fair values of the other receivables as at the date of acquisition amounted to RMB7,009,000. The gross contractual amounts of other receivables were RMB7,019,000 of which RMB10,000 are expected to be uncollectible.

Since the acquisition, Luyi Heyi contributed revenue of RMB125,899,000 and profit of RMB9,247,000 to the consolidated loss of the Group for the year ended 31 December 2021.

Had the combination taken place at the beginning of 2021, the revenue and the loss of the Group for the year would have been RMB4,012,198,000 and RMB460,908,000, respectively.

In August 2021, Guoquan Investment Management (Shanghai) Co., Ltd., a subsidiary of the Company, entered into a share purchase agreement with third parties to acquire 51% equity interests of Luyi Wanlai Wanqu Food Co., Ltd. (“Wanlai Wanqu”) at nil consideration. Wanlai Wanqu is principally engaged in processing and sale of meat products. The acquisition was made as part of the Group’s strategy to enhance the production and manufacture of meat. The acquisition was consummated in August 2021.

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The fair values of the identifiable assets and liabilities of Wanlai Wanqu as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition
		<i>RMB’000</i>
Property, plant and equipment	14	894
Other intangible assets	17	64
Right-of-use assets	15(a)	10,292
Prepayments, other receivables and other assets		6,907
Cash and bank balances		1,054
Trade payables		(26)
Other payables and accruals		(19,185)
		<hr/>
Total identifiable net assets at fair value		—
		<hr/>
Satisfied by cash		—
		<hr/> <hr/>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB’000</i>
Cash consideration	—
Cash and cash equivalents acquired	1,054
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	1,054
	<hr/> <hr/>

The fair values of the other receivables as at the date of acquisition amounted to RMB2,680,000. The gross contractual amounts of other receivables were RMB2,683,000 of which RMB3,000 are expected to be uncollectible.

Since the acquisition, Wanlai Wanqu contributed RMB2,676,000 to the Group’s revenue and caused a loss of RMB1,276,000 to the consolidated loss of the Group for the year ended 31 December 2021.

Had the combination taken place at the beginning of 2021, the revenue and the loss of the Group for the year would have been RMB3,957,804,000 and RMB460,861,000, respectively.

In November 2020, the Group acquired a 2.5% of equity interest in Luyi Chengming, which is a limited liability company engaged in processing and sale of hotpot sauce and condiment products in the PRC. In November 2022, the Company further entered into a share purchase and merger agreement with certain equity holders of Luyi Chengming, including Ms. Yang Tongyu, a close family member of a director of the Company. Pursuant to the agreement, total capital of approximately RMB261,791,000 was issued by the Company to acquire a 74.8% equity interests in Luyi Chengming.

The acquisition was made as part of the Group’s strategy to enhance its hotpot sauce and condiment productions. The acquisition was consummated in November 2022.

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The fair values of the identifiable assets and liabilities of Luyi Chengming as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition
		<i>RMB'000</i>
Property, plant and equipment	14	156,536
Other intangible assets	17	57,526
Right-of-use assets	15(a)	80,320
Other non-current assets		14,299
Trade receivables		10,121
Prepayments, other receivables and other assets		12,115
Cash and bank balances		32,690
Inventories		38,297
Lease liabilities	15(b)	(544)
Deferred tax liabilities	21	(37,820)
Interest-bearing bank and other borrowings		(55,000)
Trade payables		(76,316)
Other payables and accruals		(54,420)
Tax payables		(6,349)
		<hr/>
Total identifiable net assets at fair value		171,455
Non-controlling interests		(38,924)
		<hr/>
Goodwill on acquisition		138,010
Satisfied by:		
Fair value of the shares recorded in financial assets designated at fair value through OCI		8,750
Capital		261,791
		<hr/> <hr/>

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB'000</i>
Cash and cash equivalents acquired	32,690
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	32,690
	<hr/> <hr/>

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB10,121,000 and RMB3,989,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB10,421,000 and RMB3,989,000, respectively, of which trade receivables of RMB300,000 are expected to be uncollectible.

Since the acquisition, Luyi Chengming contributed RMB79,157,000 to the Group's revenue and profit of RMB1,671,000 to the consolidated profit of the Group for the year ended 31 December 2022.

Had the combination taken place at the beginning of 2022, the revenue and the profit of the Group for the year would have been RMB7,564,030,000 and RMB242,695,000, respectively.

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35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transaction

During the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB33,237,000, RMB35,739,000, RMB23,100,000 and RMB9,683,000 respectively, in respect of lease agreements.

In April 2020, by way of debt-to-equity swap, other borrowings of RMB30,000,000 were converted into certain capital of the Company.

In November 2022, the Company entered into a share purchase and merger agreement with certain equity holders of Luyi Chengming, pursuant to which total capital of approximately RMB261,791,000 was issued by the Company to acquire a 74.8% equity interest in Luyi Chengming.

In February 2023, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including paid-in capital and reserves, amounting to approximately RMB2,678,174,000 were converted into 2,670,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

(b) Changes in liabilities arising from financing activities

	Bank and other borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2020	147,442	7,886
Changes from financing cash flows	(30,247)	(11,084)
New leases	—	33,237
Debt-to-equity swap arrangement	(30,000)	—
Exchange gain	(33)	—
Accretion of interest recognised during the year	1,082	912
	<u>88,244</u>	<u>30,951</u>
At 31 December 2020 and 1 January 2021		
Changes from financing cash flows	(89,406)	(26,868)
New leases	—	35,739
Exchange loss	232	—
Early termination of leases	—	(919)
Accretion of interest recognised during the year	930	1,904
	<u>—</u>	<u>40,807</u>
At 31 December 2021 and 1 January 2022		
Changes from financing cash flows	39,967	(27,038)
New leases	—	23,100
Acquisition of a subsidiary	55,000	544
Accretion of interest recognised during the year	662	1,902
Early termination of leases	—	(162)
	<u>95,629</u>	<u>39,153</u>
At 31 December 2022 and 1 January 2023		

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	Bank and other borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
Changes from financing cash flows	8,613	(7,875)
New leases	—	9,683
Accretion of interest recognised during the period	1,434	628
Early termination of leases	—	(1,024)
	<u>105,676</u>	<u>40,565</u>
At 30 April 2023	<u>105,676</u>	<u>40,565</u>
At 31 December 2021 and 1 January 2022	—	40,807
Changes from financing cash flows (unaudited)	—	(8,440)
New leases (unaudited)	—	9,407
Accretion of interest recognised during the period (unaudited)	—	667
	<u>—</u>	<u>667</u>
At 30 April 2022 (unaudited)	<u>—</u>	<u>42,441</u>

(c) Total cash outflow for leases

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

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	6,082	7,663	8,412	3,250	2,228
Within financing activities	11,084	26,868	27,038	8,440	7,875
	<u>17,166</u>	<u>34,531</u>	<u>35,450</u>	<u>11,690</u>	<u>10,103</u>

36. CONTINGENT LIABILITIES

As at 31 December 2020, 2021 and 2022 and 30 April 2023, neither the Group nor the Company had any significant contingent liabilities.

37. PLEDGE OF ASSETS

Details of the Group's interest-bearing borrowings, which are secured by the assets of the Group, are included in note 27 to the Historical Financial Information.

38. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December			As at 30 April
	2020	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for purchase of property, plant and equipment	8,224	64,719	25,815	13,000
	<u>8,224</u>	<u>64,719</u>	<u>25,815</u>	<u>13,000</u>

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39. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2022 and 2023:

(a) Transactions with related parties:

	Year ended 31 December			Four months ended 30 April	
	2020	2021	2022	2022	2023
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Sale of goods					
Shanghai Shengxian Food Co., Ltd. (i)	N/A	7,073	33,107	13,651	5,229
Purchase of goods					
Luyi Chengming (ii)	182,730	217,358	252,631	100,889	N/A
Shanghai Shengxian Food Co., Ltd. (i)	N/A	64,509	113,637	26,874	31,857
	182,730	281,867	366,268	127,763	31,857
Purchase of services					
Luyi Chengming Industrial Zone Management Co., Ltd (“Chengming Management”) (iii)	N/A	N/A	555	N/A	31

- (i) Shanghai Shengxian Food Co., Ltd. has been identified as a related party of the Group as it was held as to 38.5% by a supervisor of Luyi Heyi and 30.0% by a general manager of Luyi Heyi, a subsidiary acquired by the Group in August 2021. Thus, the two key management personnel have significant influence over Shanghai Shengxian Food Co., Ltd. since then.
- (ii) Luyi Chengming has been identified as a related party of the Group as it was controlled by Ms. Yang Tongyu, Mr. Yang Mingchao’s close family member. Luyi Chengming has been subsequently acquired by the Group in November 2022 and became a subsidiary of the Group.

The sales to the related parties were made according to the published prices and conditions offered to the major customers. The purchases from the related parties were conducted in the ordinary course of business and based on commercial terms mutually agreed by the counterparties.

- (iii) Chengming Management was identified as a related party of the Group from August 2022 to May 2023 as it was controlled by Ms. Yang Tongyu, Mr. Yang Mingchao’s close family member. Chengming Management was subsequently disposed to independent third parties in May 2023 and ceased to be a related party of the Group since then.

(b) Guarantees

As disclosed in note 27 to the Historical Financial Information, the Group’s bank loans of RMB30,182,000 were guaranteed by a director of the Group as at 31 December 2020 and RMB5,000,000 were guaranteed by a close family member of a director of the Company as at 31 December 2022. Both guarantees had been released during the Relevant Periods.

The Group’s bank loans of RMB55,094,000 were guaranteed by a close family member of a director of the Company as at 30 April 2023 and the guarantee has been subsequently released in June 2023.

(c) Compensation of key management personnel of the Group

Compensation of key management personnel of the Group, which comprises the remuneration of the directors, is disclosed in note 9 and note 10 to the Historical Financial Information.

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(d) Outstanding balances with related parties

	As at 31 December			As at
	2020	2021	2022	30 April
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables				
Shanghai Shengxian Food Co., Ltd.	N/A	N/A	10,357	3,742
Amounts due from related parties (trade in nature)				
Prepayments				
Shanghai Shengxian Food Co., Ltd.	N/A	4,973	21,078	19,595
Luyi Chengming	9,225	34,757	N/A	N/A
Chengming Management	N/A	N/A	985	1,010
Deposits				
Luyi Chengming	10,011	10,004	N/A	N/A
Total amounts due from related parties	19,236	49,734	22,063	20,605
Trade payables				
Shanghai Shengxian Food Co., Ltd.	N/A	10,349	7,083	17,880

Amounts due from a related party were unsecured, interest-free and repayable on credit terms, and amounts due to a related party were unsecured, interest-free and repayable within 30 days.

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2020, 2021 and 2022 and 30 April 2023 are as follows:

31 December 2020

Financial assets

	Financial assets at fair value through OCI		Total
	Equity investments	Financial assets at amortised cost	
	<i>RMB’000</i>	<i>RMB’000</i>	
Equity investments designated at fair value through OCI	6,250	—	6,250
Financial assets included in prepayment, other receivables and other assets	—	67,644	67,644
Restricted cash	—	27,123	27,123
Cash and bank balances	—	100,821	100,821
	6,250	195,588	201,838

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Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	97,405
Financial liabilities included in other payables and accruals	154,267
Interest-bearing bank and other borrowings	88,244
	<u>339,916</u>

31 December 2021

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Financial assets at amortised cost	Total
	Mandatorily	Equity investments	amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Equity investments designated at fair value through OCI	—	95,750	—	95,750
Financial assets at fair value through profit or loss	330,042	—	—	330,042
Long-term bank deposits	—	—	181,223	181,223
Trade receivables	—	—	14,890	14,890
Financial assets included in prepayment, other receivables and other assets	—	—	81,148	81,148
Restricted cash	—	—	33,474	33,474
Cash and bank balances	—	—	627,573	627,573
	<u>330,042</u>	<u>95,750</u>	<u>938,308</u>	<u>1,364,100</u>

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	180,993
Financial liabilities included in other payables and accruals	207,897
	<u>388,890</u>

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Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Financial assets at amortised cost	Total
	Mandatorily	Equity investments		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investments designated at fair value through OCI	—	98,838	—	98,838
Financial assets at fair value through profit or loss	237,942	—	—	237,942
Long term bank deposits	—	—	526,208	526,208
Trade receivables	—	—	134,325	134,325
Financial assets included in prepayment, other receivables and other assets	—	—	126,159	126,159
Restricted cash	—	—	42,164	42,164
Cash and bank balances	—	—	694,954	694,954
	<u>237,942</u>	<u>98,838</u>	<u>1,523,810</u>	<u>1,860,590</u>

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables	577,481
Financial liabilities included in other payables and accruals	341,999
Interest-bearing bank and other borrowings	95,629
	<u>1,015,109</u>

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Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Financial assets at amortised cost	Total
	Mandatorily	Equity investments		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investments designated at fair value through OCI	—	93,094	—	93,094
Financial assets at fair value through profit or loss	417,358	—	—	417,358
Long-term bank deposits	—	—	500,698	500,698
Trade receivables	—	—	130,228	130,228
Financial assets included in prepayments, other receivables and other assets	—	—	89,984	89,984
Restricted cash	—	—	45,639	45,639
Cash and bank balances	—	—	623,148	623,148
	<u>417,358</u>	<u>93,094</u>	<u>1,389,697</u>	<u>1,900,149</u>

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables	195,686
Financial liabilities included in other payables and accruals	300,545
Interest-bearing bank and other borrowings	105,676
	<u>601,907</u>

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41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors for annual financial reporting.

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

The fair value of long-term bank deposits has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The carrying amounts of long-term bank deposits approximate to their fair values.

The Group invests in unlisted investments, which represent unlisted convertible redeemable preferred shares and wealth management products issued by banks in Mainland China. The fair value of the convertible redeemable preferred shares is established by using valuation techniques. These techniques include backsolve from most recent transaction price and option pricing models. The Group has estimated the fair value of wealth management products by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

For the fair value of the unlisted equity investments at fair value through OCI, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2020, 2021 and 2022 and 30 April 2023:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investment at fair value through OCI	Recent transaction price	Recent transaction price	31 December 2021 and 2020: N/A	N/A
	Valuation multiples	Average P/S multiple of peers	31 December 2022: 1.06 to 3.98	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB4,941,900
			30 April 2023: 1.04 to 3.46	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB4,654,700
		Discount for lack of marketability	31 December 2022: 20.6%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB1,282,200
		30 April 2023: 20.6%	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB1,207,600	

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	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss-unlisted convertible redeemable preferred shares	Recent transaction price	Recent transaction price	31 December 2021: N/A	N/A
	Option pricing model	Volatility	31 December 2022: 46.87%-50.98%	5% increase/decrease in volatility would result in decrease/increase in fair value by RMB25,000/RMB161,000
			30 April 2023: 51.25%-51.53%	5% increase/decrease in multiple would result in decrease/increase in fair value by RMB247,000/RMB2,101,000
		Risk-free interest rate	31 December 2022: 3.89%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB210,000/RMB59,000
		30 April 2023: 3.57%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB57,100/RMB57,700	

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Fair value hierarchy

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

Assets measured at fair value

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2020				
Equity investments designated at fair value through OCI	—	—	6,250	6,250
As at 31 December 2021				
Equity investments designated at fair value through OCI	—	—	95,750	95,750
Financial assets at fair value through profit or loss	—	200,334	129,708	330,042
	—	200,334	225,458	425,792

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	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
As at 31 December 2022				
Equity investments designated at fair value through OCI	—	—	98,838	98,838
Financial assets at fair value through profit or loss	—	50,067	187,875	237,942
	—	50,067	286,713	336,780
As at 30 April 2023				
Equity investments designated at fair value through OCI	—	—	93,094	93,094
Financial assets at fair value through profit or loss	—	210,257	207,101	417,358
	—	210,257	300,195	510,452

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

	31 December 2020	31 December 2021	31 December 2022	30 April 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss				
At the beginning of year/period	—	—	129,708	187,875
Purchases	—	129,708	—	—
Total gains recognised in the consolidated statements of profit or loss included in other income and gains, net	—	—	58,167	19,226
At end of year/period	—	129,708	187,875	207,101
Equity investments at fair value through OCI				
At the beginning of year/period	—	6,250	95,750	98,838
Purchases	6,250	87,500	—	—
Total gains/(losses) recognised in OCI	—	2,000	11,838	(5,744)
Transfer-out upon obtaining control through business combination	—	—	(8,750)	—
At end of year/period	6,250	95,750	98,838	93,094

The Group did not have any financial liabilities measured at fair value during the Relevant Periods.

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

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise bank and other interest-bearing borrowings, long-term bank deposits and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

Foreign currency risk

The Group’s major businesses are carried out in Mainland China and most of the transactions are conducted in RMB. Most of the Group’s assets and liabilities are denominated in RMB. The Group does not have material foreign currency risk during the Relevant Periods.

Interest rate risk

The Group’s bank balances, other than short-term and long-term bank deposits, expose to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The directors of the Company consider the Group’s exposure to interest rate risk in respect of bank balances, long-term bank deposits and interest-bearing bank and other borrowings is not significant as most of them are at fixed interest rate.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year/period-end staging as at 31 December 2020, 2021, 2022 and 30 April 2023

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2020, 2021, 2022 and 30 April 2023. The amounts presented are gross carrying amounts for financial assets.

31 December 2020

	12-month	Lifetime ECLs			Total
	ECLs	ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets included in prepayments, other receivables and other assets					
— Normal**	67,644	—	—	—	67,644
Restricted cash					
— Not yet past due	27,123	—	—	—	27,123
Cash and bank balances					
— Not yet past due	100,821	—	—	—	100,821
	195,588	—	—	—	195,588

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31 December 2021

	12-month	Lifetime ECLs			Total
	ECLs	Stage 2	Stage 3	Simplified approach	
	Stage 1				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	15,316	15,316
Financial assets included in prepayments, other receivables and other assets					
— Normal**	81,148	—	—	—	81,148
Long-term bank deposits					
— Not yet past due	181,223	—	—	—	181,223
Restricted cash					
— Not yet past due	33,474	—	—	—	33,474
Cash and bank balances					
— Not yet past due	627,573	—	—	—	627,573
	<u>923,418</u>	<u>—</u>	<u>—</u>	<u>15,316</u>	<u>938,734</u>

31 December 2022

	12-month	Lifetime ECLs			Total
	ECLs	Stage 2	Stage 3	Simplified approach	
	Stage 1				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	139,335	139,335
Financial assets included in prepayments, other receivables and other assets					
— Normal**	126,159	—	—	—	126,159
Long-term bank deposits					
— Not yet past due	526,208	—	—	—	526,208
Restricted cash					
— Not yet past due	42,164	—	—	—	42,164
Cash and bank balances					
— Not yet past due	694,954	—	—	—	694,954
	<u>1,389,485</u>	<u>—</u>	<u>—</u>	<u>139,335</u>	<u>1,528,820</u>

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30 April 2023

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	
Trade receivables*	—	—	—	141,700	141,700
Financial assets included in prepayments, other receivables and other assets					
— Normal**	89,984	—	—	—	89,984
Long-term bank deposits					
— Not yet past due	500,698	—	—	—	500,698
Restricted cash					
— Not yet past due	45,639	—	—	—	45,639
Cash and bank balances					
— Not yet past due	623,148	—	—	—	623,148
	<u>1,259,469</u>	<u>—</u>	<u>—</u>	<u>141,700</u>	<u>1,401,169</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the Historical Financial Information.

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

Liquidity risk

The Group monitors and maintains a level of cash and bank balances deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The maturity profile of the Group’s financial liabilities as at 31 December 2020, 2021 and 2022 and 30 April 2023, based on the contractual undiscounted payments, is as follows:

31 December 2020	Within 1 year	1 to 5 years	Total
	RMB’000	RMB’000	RMB’000
Trade payables	97,405	—	97,405
Financial liabilities included in other payables and accruals	154,267	—	154,267
Interest-bearing bank and other borrowings	89,417	—	89,417
Lease liabilities	15,256	17,707	32,963
	<u>356,345</u>	<u>17,707</u>	<u>374,052</u>

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31 December 2021	Within 1 year	1 to 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	180,993	—	180,993
Financial liabilities included in other payables and accruals	207,897	—	207,897
Lease liabilities	21,411	21,031	42,442
	410,301	21,031	431,332
	410,301	21,031	431,332
31 December 2022	Within 1 year	1 to 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	577,481	—	577,481
Financial liabilities included in other payables and accruals	341,999	—	341,999
Interest-bearing bank and other borrowings	96,448	226	96,674
Lease liabilities	21,376	19,894	41,270
	1,037,304	20,120	1,057,424
	1,037,304	20,120	1,057,424
30 April 2023	Within 1 year	1 to 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	195,686	—	195,686
Financial liabilities included in other payables and accruals	300,545	—	300,545
Interest-bearing bank and other borrowings	98,398	11,021	109,419
Lease liabilities	24,728	18,705	43,433
	619,357	29,726	649,083
	619,357	29,726	649,083

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to equity holders, return capital to equity holders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020, 2021 and 2022 and the four months ended 30 April 2023.

APPENDIX I

ACCOUNTANTS' REPORT

The Group monitors capital using a gearing ratio, which is debt divided by the adjusted capital plus debt. Debt includes interest-bearing borrowings and lease liabilities. Capital includes equity attributable to owners of the parent. The gearing ratios as at 31 December 2020, 2021 and 2022 and 30 April 2023 were as follows:

	2020	2021	2022	30 April 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing borrowings	88,244	—	95,629	105,676
Lease liabilities	30,951	40,807	39,153	40,565
Debt	119,195	40,807	134,782	146,241
Equity attributable to owners of the parent	670,379	2,089,222	2,594,448	2,700,514
Gearing ratio	15.1%	1.9%	4.9%	5.1%

43. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

As at 31 December 2020, 2021 and 2022 and 30 April 2023, 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.

44. EVENTS AFTER THE RELEVANT PERIODS

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

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 30 April 2023.