



廈門吉宏科技股份有限公司  
**XIAMEN JIHONG CO., LTD**

(a joint stock company incorporated in the People's Republic of China with limited liability)

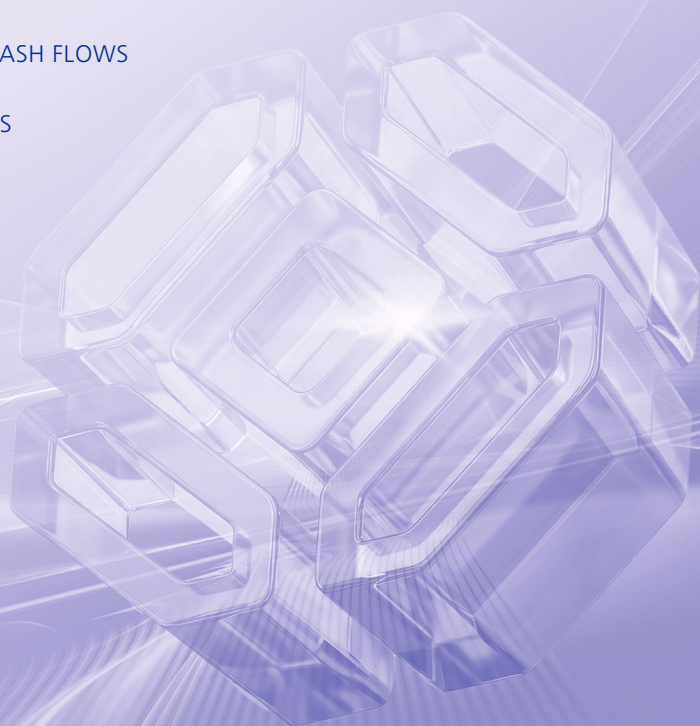
Stock Code: 2603



**2025**  
ANNUAL REPORT

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## DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the following meanings. The following contains definitions of certain terms used in connection with our Company and our business. Some of these may not correspond to standard industry definitions or usage of these terms.

“A Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
“API”	application programming interface, a way to enable different applications to interact with each other
“Articles” or “Articles of Association”	the articles of association of our Company as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board Committees”	collectively, the Audit Committee, the Strategy Committee, the Remuneration and Appraisal Committee and the Nomination Committee
“Board of Directors” or “Board”	our board of Directors
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“Chairwoman”	the chairwoman of the Board
“China” or “PRC”	People’s Republic of China, and for the purpose of this annual report, excludes Taiwan, Hong Kong and Macau
“Company”, “our Company”, “Group”, “the Group”, “we”, “our” or “us”	Xiamen Jihong Co., Ltd (廈門吉宏科技股份有限公司, formerly known as Xiamen Jihong Package Technology Ltd.* (廈門吉宏包裝科技股份有限公司) and Xiamen Jihong Printing Co., Ltd* (廈門市吉宏印刷有限公司)) (Stock Code: 2603), a limited liability company established in the PRC on December 24, 2003 and converted into a joint-stock company with limited liability on December 3, 2010
“Director(s)”	the director(s) of our Company or any one of them
“FMCG”	fast-moving consumer goods
“Global Offering”	the Hong Kong public offering and international offering as described in the Prospectus
“GiiMall”	a self-developed SaaS platform of our Company
“H Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



## DEFINITIONS

“IFRS”	International Financial Reporting Standards
“independent third party(ies)”	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
“IT”	information technology
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	May 27, 2025, the date on which the H Shares were listed and from which dealings therein were permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of our Company dated May 19, 2025
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Reporting Period”	the year ended December 31, 2025
“ROI”	a metric used to assess the effectiveness of our advertising efforts. We calculate ROI by dividing the revenue of our cross-border social e-commerce business for the reporting period by the advertising cost for such period
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of RMB1.00 each, comprising the A Shares and the H Shares



## DEFINITIONS

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Tibet Yongyue”	Tibet Yongyue Shichao Corporate Management Co., Limited* (西藏永悦詩超企業管理有限公司), previously known as Xiamen Yongyue Investment Consulting Co., Limited* (廈門市永悅投資諮詢有限公司), a limited liability company incorporated in the PRC on June 30, 2010
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“United States”	the United States of America
“2023 Restricted Share Incentive Plan”	a restricted share incentive plan adopted by our Company on August 30, 2023, for the purpose of incentivising eligible management and employees of the Group, the principal terms of which are set out in “Appendix VI – Statutory and General Information” to the Prospectus
“%”	Per cent

In this annual report, unless otherwise indicated, the terms “associate”, “associated corporation”, “connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules.

The English names of PRC nationals, enterprises, departments, facilities, certificates, regulations, titles and the like marked with “\*” are translations of their Chinese names and are included in this annual report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name will prevail.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

- Mr. WANG Yapeng (王亞朋)  
(Executive Director and Chairman)  
(resigned on November 21, 2025)
- Ms. ZHUANG Hao (莊浩)  
(Executive Director and Chairwoman)
- Mr. ZHANG Heping (張和平)  
(Executive Director and General Manager)
- Mr. ZHUANG Shu (莊澍)  
(Executive Director and Deputy General Manager)
- Mr. LU Tashan (陸它山)  
(Executive Director, Vice Chairman,  
Deputy General Manager, and  
Joint Company Secretary)
- Mr. LIAO Shengxing (廖生興)  
(Non-Executive Director)  
(resigned on November 21, 2025)
- Ms. BAI Xueting (白雪婷)  
(Employee Representative Director)  
(appointed on October 27, 2025)
- Dr. ZHANG Guoqing (張國清)  
(Independent Non-executive Director)
- Professor Alfred SIT Wing Hang (薛永恒)  
(Independent Non-executive Director)
- Mr. TANG Yi Hoi (鄧以海)  
(Independent Non-executive Director)  
(appointed on November 21, 2025)
- Mr. CAI Qinghui (蔡慶輝)  
(Independent Non-executive Director)  
(appointed on November 21, 2025)
- Dr. YANG Chenhui (楊晨暉)  
(Independent Non-executive Director)  
(resigned on November 21, 2025)
- Mr. HAN Jianshu (韓建書)  
(Independent Non-executive Director)  
(resigned on November 21, 2025)
- Ms. NG Weng Sin (吳永蓆)  
(Independent Non-executive Director)  
(resigned on November 21, 2025)

## JOINT COMPANY SECRETARIES

- Mr. LU Tashan (陸它山)
- Ms. TAM Wing Tsz (譚詠子)  
(appointed on October 9, 2025)
- Mr. LEE Chung Shing (李忠成)  
(resigned on October 9, 2025)

## AUTHORISED REPRESENTATIVES

- Ms. ZHUANG Hao (莊浩)  
Mr. LU Tashan (陸它山)

## STRATEGY COMMITTEE

- Ms. ZHUANG Hao (莊浩) (*Chairperson*)  
Mr. ZHANG Heping (張和平)  
Professor Alfred SIT Wing Hang (薛永恒)

## AUDIT COMMITTEE

- Dr. ZHANG Guoqing (張國清) (*Chairperson*)  
Mr. TANG Yi Hoi (鄧以海)  
Mr. CAI Qinghui (蔡慶輝)

## REMUNERATION AND APPRAISAL COMMITTEE

- Mr. TANG Yi Hoi (鄧以海) (*Chairperson*)  
Dr. ZHANG Guoqing (張國清)  
Mr. ZHUANG Shu (莊澍)

## NOMINATION COMMITTEE

- Mr. CAI Qinghui (蔡慶輝) (*Chairperson*)  
Professor Alfred SIT Wing Hang (薛永恒)  
Mr. ZHANG Heping (張和平)

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Public Interest Entity Auditor registered in accordance with*  
*the Accounting and Financial Reporting Council Ordinance*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong SAR



## CORPORATE INFORMATION

### ADDRESS OF HEAD OFFICE AND HEADQUARTER IN THE PRC

No.9 Putou Road, Dongfu Industry Park II  
Haicang District  
Xiamen, Fujian Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office 5, 15/F  
Bank of East Asia Harbour View Centre  
No. 56 Gloucester Road  
Hong Kong SAR

### COMPLIANCE ADVISER

Fosun International Capital Limited  
Suite 2101-2105, 21/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong SAR

### HONG KONG LEGAL ADVISER

Jia Yuan Law Office  
Suites 3502-03, 35/F  
One Exchange Square  
8 Connaught Place  
Central  
Hong Kong SAR

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### STOCK CODE

2603

### WEBSITE

[www.jihong.cn](http://www.jihong.cn)

## FINANCIAL HIGHLIGHTS

The table below sets forth a summary of the results and of the assets and liabilities of the Group for the periods indicated:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>REVENUE</b>	<b>6,721,612</b>	5,529,259
Cost of sales	<b>(3,579,014)</b>	(3,109,944)
<b>Gross profit</b>	<b>3,142,598</b>	2,419,315
Other income and gains	<b>68,431</b>	61,114
Selling and marketing expenses	<b>(2,375,772)</b>	(1,849,611)
Administrative expenses	<b>(273,382)</b>	(264,591)
Research and development expenses	<b>(136,105)</b>	(124,429)
Impairment losses on financial assets	<b>(5,861)</b>	(9,037)
Share of profits of associates	<b>4,057</b>	3,584
Foreign exchange losses, net	<b>(28,273)</b>	(3,512)
Finance costs	<b>(14,837)</b>	(12,250)
Other expenses and losses	<b>(5,768)</b>	(2,443)
<b>PROFIT BEFORE TAX</b>	<b>375,088</b>	218,140
Income tax expense	<b>(41,038)</b>	(33,690)
<b>PROFIT FOR THE YEAR</b>	<b>334,050</b>	184,450
Attributable to:		
Owners of the parent	<b>276,832</b>	181,931
Non-controlling interests	<b>57,218</b>	2,519
	<b>334,050</b>	184,450
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
Basic ( <i>RMB</i> )	<b>0.67</b>	0.49
Diluted ( <i>RMB</i> )	<b>0.67</b>	0.49



## FINANCIAL HIGHLIGHTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>334,050</b>	184,450
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(2,707)</b>	510
Share of other comprehensive income of associates	<b>(254)</b>	69
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<b>(2,961)</b>	579
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	<b>1,452</b>	(10,520)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<b>1,452</b>	(10,520)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(1,509)</b>	(9,941)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>332,541</b>	174,509
Attributable to:		
Owners of the parent	<b>275,563</b>	171,928
Non-controlling interests	<b>56,978</b>	2,581
	<b>332,541</b>	174,509

## FINANCIAL HIGHLIGHTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>931,836</b>	930,436
Right-of-use assets	<b>188,062</b>	176,350
Goodwill	<b>9,585</b>	9,585
Other intangible assets	<b>17,121</b>	19,910
Investments in associates	<b>179,787</b>	107,477
Equity investments designated at fair value through other comprehensive income	<b>37,816</b>	8,254
Financial assets at fair value through profit or loss	<b>63,293</b>	130,863
Deferred tax assets	<b>9,962</b>	11,147
Pledged deposits	<b>1,722</b>	–
Time deposits	<b>119,046</b>	133,791
Other non-current assets	<b>35,538</b>	1,188
<b>Total non-current assets</b>	<b>1,593,768</b>	1,529,001
<b>CURRENT ASSETS</b>		
Inventories	<b>516,080</b>	447,889
Trade and bills receivables	<b>627,590</b>	553,885
Prepayments, other receivables and other assets	<b>140,628</b>	141,874
Amounts due from related parties	<b>75,239</b>	1,243
Pledged deposits	<b>32,206</b>	67,971
Time deposits	<b>106,777</b>	50,169
Cash and cash equivalents	<b>1,229,577</b>	711,062
<b>Total current assets</b>	<b>2,728,097</b>	1,974,093



## FINANCIAL HIGHLIGHTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>		
Trade and bills payables	695,533	716,560
Other payables and accruals	145,994	181,321
Contract liabilities	30,135	17,858
Interest-bearing bank borrowings	309,493	121,126
Lease liabilities	33,287	34,678
Tax payable	23,372	8,645
Amounts due to related parties	–	972
Other current liabilities	4,861	3,227
<b>Total current liabilities</b>	<b>1,242,175</b>	1,084,387
<b>NET CURRENT ASSETS</b>	<b>1,485,922</b>	889,706
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>3,079,690</b>	2,418,707
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	238,553	127,067
Lease liabilities	55,244	49,465
Deferred income	32,052	30,945
Deferred tax liabilities	3,223	2,715
<b>Total non-current liabilities</b>	<b>329,072</b>	210,192
<b>NET ASSETS</b>	<b>2,750,618</b>	2,208,515
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	450,405	384,769
Reserves	2,247,909	1,817,255
	<b>2,698,314</b>	2,202,024
<b>Non-controlling interests</b>	<b>52,304</b>	6,491
<b>Total equity</b>	<b>2,750,618</b>	2,208,515



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

Our Company is a joint stock limited liability company established under the laws of the PRC on December 24, 2003. Our Company completed its initial public offering and listing of its A Shares on the Shenzhen Stock Exchange (stock code: 002803) on July 12, 2016. Our Company completed its public offering and listing of its H Share(s) on the Main Board of the Stock Exchange (stock code: 2603) on May 27, 2025.

Our operations span across our cross-border social e-commerce business and FMCG paper packaging business, recognized for innovation and market leadership in our respective sectors. Founded in 2003, we set out on providing one-stop paper packaging products and services to FMCG enterprise customers, focusing on providing marketing strategies, product design, process design, technology planning, transportation and logistics. As the core of our paper packaging business is essentially oriented towards product design and marketing that ultimately center around addressing end consumers' needs and spur their purchase desires, we have accumulated deep understanding and experience in both product marketing and discerning consumer demands. Seeking to expand our business beyond our decades-long paper packaging business, we seized the business opportunities from the burgeoning of cross-border e-commerce driven by the development of the mobile Internet by spearheading our cross-border social e-commerce business in 2017, which has now become our major source of revenue. Empowered by data insights and technology and capitalizing on a new era of cross-border e-commerce through the mobile Internet, we place targeted advertisements on social media platforms to attract consumers to purchase products precisely recommended to them based on our data analytics capabilities.

An analysis of the Group's performance during the year ended December 31, 2025 using financial key performance indicators is provided in the "Financial Highlights" section in this report.

## CROSS-BORDER SOCIAL E-COMMERCE BUSINESS

In our cross-border social e-commerce business, we deploy our dynamic data analytical capabilities to perform precise product discovery and recommendation, place targeted advertisements online to attract consumers from social media traffic to our landing pages, which are transactional web pages that pop up in response to a user's click on a link or advertisement displayed on a social media platform, and ultimately market and sell affordable and high-quality products from Chinese mainland to overseas consumers around the world. Our cross-border social e-commerce business connects suppliers in Chinese mainland with consumers across Asia and Europe.

## FMCG PAPER PACKAGING BUSINESS

We are among a limited number of FMCG paper packaging companies in Chinese mainland that have the capability to provide one-stop paper packaging products and services covering the entire production process. With process design and technology planning at the crux of our competence, we integrate marketing strategies, product design, process design, technology planning, transportation and logistics into our all-inclusive paper packaging products and services, and continuously pre-empt consumer needs by innovating in materials, designs and products. Exemplifying our commitment to environmental protection and ESG principles, we prospectively invested in developing environmentally friendly packaging, following the global prevalence of restrictions on plastic use. Over the years, we have established and maintained long-term cooperation with leading FMCG companies, laying a solid foundation for generating stable revenue and cashflows through our paper packaging business.



## MANAGEMENT DISCUSSION AND ANALYSIS

### OUR PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

As a leading enterprise anchored in technological innovation, business model innovation, and digital intelligence empowerment, we have established a development framework spanning cross-border social e-commerce and FMCG packaging solutions. After years of intensive cultivation, we have achieved significant scale advantages in its core industries. In particular, our leading position in Chinese mainland's FMCG paper packaging business and China's B2C (Business to Consumer) outbound social e-commerce formed a dual-engine and sustainable growth model for the Group.

On May 27, 2025, our Company completed its initial public offering of H Shares and was listed on the Main Board of the Hong Kong Stock Exchange, becoming the first A+H listed company in the PRC engaged in cross-border social e-commerce business and FMCG paper packaging business respectively, the first A+H listed company in Xiamen, China, and the first Hong Kong-listed company to be included in the list of eligible securities under the Southbound Trading Link on the very first day of its listing, setting multiple groundbreaking records. The listing of H Shares marks a key milestone in our Company's globalization strategy. Leveraging Hong Kong's role as an international financial hub and the global capital platform offered by its capital market, our Company will actively advance the global expansion of its cross-border social e-commerce and packaging businesses by continuously exploring new sales regions and deepening penetration in overseas markets, to ensure that our Company continues to maintain its industry-leading position.

Benefiting from the continued recovery of the consumer market and the relentless efforts of our Company's management and all employees, our Company recorded substantial business growth. During the Reporting Period, our Company achieved revenue of RMB6,721.6 million, representing a year-on-year increase of 21.6%, net profit attributable to shareholders of the listed company of RMB276.8 million, representing a year-on-year increase of 52.2%. Among these, revenue from cross-border social e-commerce business amounted to RMB4,373.2 million, representing a year-on-year increase of 29.9%, while revenue from packaging business amounted to RMB2,345.3 million, representing a year-on-year increase of 11.7%.

As of December 31, 2025, our Company's total assets amounted to RMB4,321.9 million, representing an increase of 23.4% from the beginning of the year; equity attributable to the shareholders of our Company reached RMB2,698.3 million, representing an increase of 22.5% from the beginning of the year; and net cash flow generated from operating activities amounted to RMB261.2 million, representing a decrease of 32.4% as compared with the same period last year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (I) Cross-border Social E-commerce Business

In the first half of 2025, China continued to refine its cross-border e-commerce policy framework by deepening digital trade pilot programs, optimizing cross-border logistics and data regulations, enhancing financial support, and participating in international cooperation, thereby providing a powerful boost to the high-quality development of the industry. As an industry leader, our Company grasped policy trends and fully leveraged its deep expertise in cross-border social e-commerce and advantages in digital intelligence technologies to accelerate the global expansion of its self-owned brands, continuously reinforce its market position, and drive high-quality business growth.

We are among the first B2C outbound social media e-commerce companies in the PRC. We have been awarded various honorary titles, such as the Top 50 Overseas Service Providers for Chinese Corporates, the Top 10 Chinese Cross-border E-commerce Service Enterprises, and the Excellent Cross-border E-commerce Service Provider, as well as the Global Pioneer (全球领航奖) award by TikTok. Our cross-border social e-commerce business consistently ranks among the top tier of China's B2C outbound social e-commerce players. In the market segment of channelling traffic from social media to independent sites for transaction, our business scale and profitability both rank among the forefront of the industry. We possess strong first-mover advantages and localized operational experience in markets such as Southeast Asia and the Middle East.

### 1. Unique business model that discovers target customers actively and precisely





## MANAGEMENT DISCUSSION AND ANALYSIS

Empowered by data insights and technology and capitalizing on a new era of cross-border e-commerce through the mobile Internet, we adopt a social e-commerce business model that discovers target customers actively and precisely. Under this model, we deploy our dynamic data analytical capabilities to perform precise product discovery and recommendation, place targeted advertisements online to attract consumers from social media traffic to our landing pages, which are transactional web pages that pop up in response to a user's click on a link or advertisement displayed on a social media platform, and ultimately market and sell affordable and high-quality products from Chinese mainland to overseas consumers around the world. We primarily place advertisements on social media platforms to attract customers, without operating our own platform or mobile apps. We provide a wide array of products, including household products, apparel products, electronic products, footwear products, luggage and bag products, cosmetic and personal care products, healthcare products, maternity and baby products, and watches and accessories.

### **2. *Continuous R&D investment to build an efficient operating system***

Our Company has self-developed a cross-border social e-commerce operation management system and continues to upgrade and iterate its "Giikin" system. The Giikin system is a self-developed artificial intelligence comprehensive system of our Company. Through the AI applications integrated into our Giikin system, we seamlessly connect every stage of our business process with limited human intervention, from product discovery, advertisement placement, product procurement to transportation and logistics.

We leverage our access to data through our business operations to address complex technology issues faced by e-commerce businesses, including demand analysis, data modeling, data ETL (extract, transform, load), and data visualization. In return, improvements in technology can facilitate the growth of our business. These improvements result in flywheel effects – as our business grows, we accumulate more data and generate data insights, and find more ways to use those in our business processes, which in turn improves our technological capabilities, further driving business growth. In 2025, domestic and foreign AI large-model technologies experienced explosive growth, with leading domestic models ranking among the world's top. This has propelled our Company's "AI-powered e-commerce" strengths to new heights and forged a core moat of "data + intelligent algorithms", thereby injecting strong momentum into the intelligent upgrading of its cross-border social e-commerce business.

#### *(1) Intelligent Product Discovery: Data-Driven Precise Decision-Making*

Relying on years of accumulated standardized product data, our Company self-developed ChatGiiKin-6B, which is an e-commerce text-based pendant model that is able to analyze consumer preferences and demand characteristics across different regional markets, enabling the product discovery team to formulate customized product discovery strategies. It also performs intelligent ranking and potential assessment of product candidates based on multi-dimensional features, intuitively presenting product market popularity and profit prospects, which greatly improves the scientific rigor and efficiency of product discovery decisions.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (2) *Content Generation: A Creative Engine Bridging Cultures and Languages*

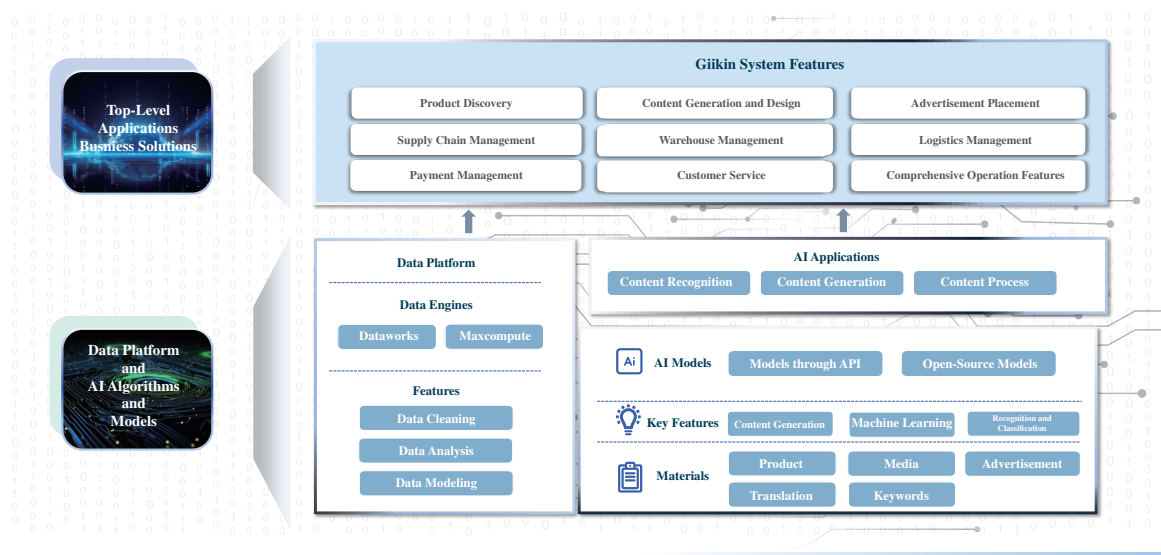
To address the diverse cultural and linguistic environments across sales regions, our Company leverages proprietary AI technologies for efficient localization. The ChatGiiKin-6B model enriches product label data in real time and automatically generates multi-lingual product titles, keywords, and detailed descriptions, precisely extracting and conveying product selling points. It also intelligently adapts advertising materials according to regional aesthetic preferences, such as adjusting model images, replacing background music, and translating subtitles, quickly creating high-quality and highly resonant marketing content.

### (3) *Precision Placement: An Intelligent Marketing Closed Loop*

The GiiKin system integrates the technology-powered advertising placement assistant G-king, which connects via API with major global advertising platforms such as Meta (including Facebook and Instagram), TikTok and Google, to assist the GiiKin system. G-king (a self-developed artificial intelligence assistant for advertisement placement of our Company) analyzes advertising data to recommend more effective advertising recommendations for our advertisement optimizers, assisting them in making decisions on advertising budgets in a cost-effective manner.

### (4) *Global Operations: AI-Driven Customer Service and Expansion*

In procurement and after-sales service, our Company employs AI bots to automate and standardize customer service. These AI bots offer multi-lingual real-time translation and intelligent responses, allowing our Company to efficiently provide precise 24/7 service to consumers in over 40 countries and regions without engaging local customer service staff. This not only significantly reduces operating costs but also serves as a solid foundation for scaling our Company's business.





## MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Paper Packaging Business

Guided by the principle of environmental protection, our Company has deeply cultivated the packaging industry for over 20 years. We operate 11 large-scale packaging production bases across the country, penetrating the FMCG market of consumers' daily lives through graphic design, solution optimization, and marketing planning. We provide customers with integrated one-stop services including "marketing planning + R&D design/solution optimization + intelligent manufacturing + transportation and distribution + sales". We have established long-term and stable cooperative relationships with leading enterprises in various sub-categories in the FMCG industry such as food, beverages, catering, and daily chemicals both domestically and internationally.

During the Reporting Period, our Company timely grasped market opportunities and actively responded to the national "Going Global" strategy. By investing in and constructing packaging production bases in Zhangjiagang, Jiangsu, and Ras Al Khaimah, UAE, we increased our investment in food packaging and laid out tobacco packaging, continuously optimized the existing supply chain network, and expanded the scope of our packaging business. This marks a new stage of development for our Company's packaging business, transitioning from "product export" to "capacity export".

Our Company is a leading enterprise in terms of comprehensive strength in China's packaging industry, with a market share in paper FMCG packaging ranking among the top. Leveraging deep industry accumulation, high-quality customer resources, advanced machinery and equipment, a rich and complete range of packaging categories, and technological R&D and innovation capabilities, we have formed prominent competitive advantages in service models, R&D design, manufacturing platforms, operation management, and product branding. Over the years, our Company's packaging business has repeatedly been listed on the Top 100 Chinese Printing and Packaging Enterprises published by Printing Manager, the Top 100 Private Enterprises in Fujian Province, the Top 100 Private Service Enterprises in Fujian Province, and the Top 100 Private Enterprises in Xiamen. We have also been awarded honorary titles such as "Specialized, Special and New Little Giant" and "Technology Little Giant". Our business development has received high recognition from the industry. The layout of overseas production bases during the Reporting Period marks our Company as a pioneer in the Chinese packaging industry for establishing factories overseas, gradually achieving the leap from "product export" to "capacity export".



## MANAGEMENT DISCUSSION AND ANALYSIS

### CORE COMPETITIVE ADVANTAGES

#### (I) We are an innovative pioneer and leader among B2C outbound social media e-commerce companies

Distinct from the traditional model of selling through stores on third-party e-commerce platforms, we operate our cross-border social e-commerce business using a “goods discovering people” business model, which differs significantly in terms of user traffic acquisition, specific requirements for sellers, and capital expenditure. Although the “goods discovering people” model has high entry barriers, its advantages are clear: it reduces the upfront costs of maintaining significant inventories and grants our Company greater flexibility, enabling a rapid response to market trends and demands. Meanwhile, this model allows our Company to accumulate rich data insights and precisely grasp consumer needs and preferences, thereby enhancing the effectiveness of various business segments, including product discovery, advertisement placement, supply chain management, and logistics management. Furthermore, our Company does not rely on online traffic from any single third-party platform nor is it required to maintain online stores on e-commerce platforms; it can flexibly place advertisements on social media platforms to achieve precision marketing and maximize profitability.

#### (II) Our integrated AI technologies permeate its comprehensive, efficient, and scalable operating system

Our Company’s cross-border social e-commerce business is efficient and flexible. Since launching this business in 2017, our Company has successfully navigated complex business environments and met diverse consumer needs through continuously trained and strengthened data analysis and AI technical capabilities. From AI pendant models and machine learning to big data analysis, AI technology permeates the entire business process, consistently driving the transformation of our Company’s cross-border social e-commerce business from digitization (數字化) to digitalization (數智化). For key processes in cross-border social e-commerce, our Company has successfully developed AI technologies covering product discovery, image material design, video material generation, advertisement copywriting and translation, precise product recommendation, advertisement placement, and customer service, achieving a significant upgrade in its level of digitalization.

#### (III) Powerful data analytical capabilities provide a solid foundation for our Company’s unique “goods discovering people” model

Owing to our first-mover advantages, our Company has accumulated a large amount of consumer behavior data insights generated from our cross-border social e-commerce business, based on which we conduct data analysis and build our algorithm capabilities. Through our business operations, our Company has accumulated in-depth understanding of the ROI of advertisement placement on a wide range of channels. Distinguished from traditional e-commerce platforms, our Company obtains user data analysis from digital marketing service providers and social media platforms, which allows us to precisely assign tags to products when placing advertisements and efficiently conduct re-marketing to other consumers who have the same or similar needs. Our Company has developed our proprietary product relationship matrix with product tags, platform user tags and transaction information that precisely displays the relationship between characteristic profiles of users from different geographical locations and relevant products. This matrix has provided our Company with a solid foundation to further enhance our AI modeling capabilities.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **(IV) Rapidly replicable business model and global layout ensure strategic flexibility in market expansion**

With the rapid development of AI technology, our cross-border social e-commerce supply chain control system continues to iterate, and its ability to realize demand forecasting through data analysis is constantly strengthening. Combined with our technical advantages in multi-language intelligent advertising, translation, and customer service, the control system can automatically generate product displays, page designs, and service processes that conform to local consumption habits. This provides a solid guarantee for the expansion of our Company's sales regions, which have gradually expanded from the initial regions of Taiwan, Hong Kong and Southeast Asia to the rapid replication of the business model in Northeast Asia and Eastern Europe today. On this basis, our Company focuses its layout on regions along the "Belt and Road" and can dynamically adjust the proportion of regional resource allocation according to market trends. This allows us to seize the consumption upgrade dividends of emerging markets while effectively avoiding potential trade disputes, ensuring strategic flexibility in its market expansion.

### **(V) We possess effective and sophisticated supply chain management capabilities for our cross-border social e-commerce business to enhance consumers satisfaction and optimize cost control**

We manage our supply chain for our cross-border social e-commerce business through maintaining a certain level of inventory only for specific products and mainly purchasing products from suppliers after we receive orders from our consumers if the ordered products are not available in our Company's warehouses. This model allows our Company to maintain a lower inventory to sales ratio than other companies in the industry. This supply chain management model is supported by our Company's intelligent procurement and logistics management system. Our Giikin system deeply integrates data insights from product suppliers and logistics service providers to achieve intelligent management of each logistics process including transportation, delivery and receipt, enhancing consumers satisfaction and optimizing cost control.

### **(VI) Through breakthroughs in marketing designs and R&D, we provide packaging solutions that continuously maintain our long-term stable cooperative relationship with leading FMCG enterprise customers.**

We are among a limited number of FMCG paper packaging solutions companies in China that can meet a one-stop needs from marketing strategies, product design, process design and technology planning, production, to transportation and logistics. Deeply engrained with creativity and leveraging our in-depth understanding of enterprise customers and the latest ESG trends, we provide a full suite of packaging solutions for enterprise customers to meet their comprehensive packaging needs for various types of products.



## MANAGEMENT DISCUSSION AND ANALYSIS

Our Company focuses on the creativity of packaging design, while also understanding functional requirements as the basis for process design and technology planning. Our Company is dedicated to actualizing any paper packaging ideas for our FMCG enterprise customers, in the same way as “turning a script into a film”. Our Company insists on a customer-centric approach to provide esthetically pleasing, practical, environmentally friendly and cost-effective packaging solutions. With more than 20 years of experience in the packaging industry, our Company has become a leader in China’s FMCG paper consumer packaging solutions industry with significant competitive strengths. Our Company operates 11 large-scale packaging production facilities across China to cater for our enterprise customers’ business needs across the entire packaging value chain from packaging design to transportation and logistics, and has established long-term stable cooperative relationships with leading enterprises in various sub-categories in the FMCG industry such as food, beverages, catering, and daily chemicals both domestically and internationally.

### **(VII) Our resilient organizational structure is led by a senior management team with an innovative and pioneering spirit**

Our Company’s senior management team has extensive industry experience covering FMCG packaging, cross-border social e-commerce and Internet digital marketing, contributing to their in-depth understanding of our Company’s business development and strategies. An efficient organizational structure is the key to our Company’s healthy development. Our Company’s cross-border social e-commerce business runs on a distinctive flat organizational structure combining small front-end teams supported by middle management. We have established several front-end teams that we call “Company families”, each of which are assigned a business process including product discovery, advertisement placement and advertising material generation. These “families” are assessed based on a standard that prioritizes profitability, while taking into consideration strategic contributions. This standard, combined with a “horse-racing” mechanism, fosters virtuous competition and synergies among “families”, enhancing our Company’s market expansion capabilities and industry competitiveness. Our Company’s middle and senior management teams act as the guardians of these “families” to support, coordinate and provide them with middle-to-back-end business process including supply chain, IT system and customer service to maximize profits.

Our vibrant employees are engrained with a diligent attitude, adaptability to change, and innovative mindset, providing a solid bedrock for our Company’s performance growth. We cultivate an atmosphere of “encouraging innovation and allowing trial and error”. Through incentive measures such as employee share ownership plans and restricted shares, our Company aligns its development with the interests of its employees, promoting long-term sustainable and stable development.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE PLANS AND PROSPECTS

We will continue to adhere to its “creativity + technology” driven strategy to build an industrial pattern with the synergetic advancement of our dual principal businesses in cross-border social e-commerce and packaging solutions. Leveraging our advantages as a dual capital platform listed in both A-share and H-share markets, we will continue to deepen regional market penetration, accelerate the global layout of production capacity, strengthen AI technology empowerment and promote brand building, so as to achieve sustainable and high-quality growth in business scale and profitability.

#### **1. Consolidating competitive advantages in principal businesses and continuously increasing market share**

We will focus on its two principal businesses of cross-border social e-commerce and packaging, deeply cultivate existing core markets, and continuously optimize the supply chain efficiency and service system of the “goods discovering people” model to steadily enhance market penetration. As a leading enterprise in the FMCG paper consumer packaging industry in China, our Company will fully explore the in-depth needs of strategic cooperation customers, leverage the reputation and influence of brand customers to radiate to surrounding areas, and tap into high-quality customer resources and the packaging market, thereby achieving its industrial expansion and long-term sustainable development goals.

#### **2. Advancing global capacity layout and building a synergetic growth line for cross-border business**

We will steadily advance our globalization strategy. Capitalizing on the opportunity of its listing on the Stock Exchange in 2025, our Company will continue to enhance its international visibility, influence, and capital market image. By strengthening in-depth cooperation with internationally renowned enterprises and constructing packaging production bases overseas, our Company will create a “Chinese standards + localized services” model, accelerate the deep expansion of overseas markets, provide customers with innovative and sustainable green products and services, and build a synergetic growth line for its cross-border business.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **3. Strengthening AI technology and maintaining high-standard digital operation capabilities**

We will remain committed to the strategic direction of AI-driven full-link optimization, and will continue to increase R&D investment to consolidate its technological leadership in the field of cross-border social e-commerce. Relying on its self-developed ChatGiikin intelligent platform, our Company will deepen cooperation with major AI model developers and upgrade and iterate system functions across the entire chain, including product discovery, design, translation, customer service, advertisement placement, and logistics management. Our Company will continuously enhance its data analysis and market insight capabilities to achieve real-time and precise intelligent decision-making, respond rapidly to dynamic market changes, construct a moat for its digital e-commerce business, and maintain high-standard digital operation capabilities.

### **4. Accelerating independent brand upgrading and enhancing brand value creativity**

We will continue to deepen our self-owned brand strategy and build a multi-level and differentiated brand matrix. On the basis of consolidating existing brand market recognition, our Company will further expand its self-owned brands covering different sub-categories, shape its brand image with customized and high-quality products, convey brand values, and build core competitive advantages for its self-owned brands. Our Company will continuously enhance the added value of its brand products, promote the dual enhancement of market share and brand premium in cross-border social e-commerce, and drive our Company's performance forward.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

In 2025, the Group realised total revenue of RMB6,721.6 million and profit for the year of RMB334.1 million.

### REVENUE

We derive revenue from (i) our cross-border social e-commerce business, (ii) our paper packaging business and (iii) others.

In 2025, the Group realised total revenue of approximately RMB6,721.6 million, representing an increase of approximately 21.6% as compared with approximately RMB5,529.3 million last year, which was mainly due to an increase in revenue from cross-border e-commerce business and packaging business during the period.

The following table sets forth the contribution of each business line to our total revenue for the periods indicated:

	For the year ended December 31,			
	2025	% of total	2024	% of total
	<i>(RMB in millions, except percentages)</i>			
Cross-border social e-commerce business	4,373.2	65.1	3,365.9	60.9
Paper Packaging business	2,345.3	34.9	2,099.5	38.0
Others <sup>(1)</sup>	3.1	0.1	63.9	1.2
<b>Total revenue</b>	<b>6,721.6</b>	<b>100%</b>	5,529.3	100%

Note:

(1) Others mainly comprise our marketing and advertising business and incidental trading business.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Income from Cross-border social e-commerce business

In 2025, the Group realised income from cross-border social e-commerce business of RMB4,373.2 million, representing an increase of 29.9% as compared with last year, primarily due to our Company's efforts to further expand its market reach and continue investing in brand building, while adjusting its advertising strategies in regions subject to significant exchange rate fluctuations and making ongoing strategic adjustments to the geographical scope and scale of its advertising campaigns.

### Income from FMCG Paper Packaging business

In 2025, the Group realised income from FMCG paper packaging business of RMB2,345.3 million, representing an increase of 11.7% as compared with last year, primarily due to our Company's in-depth analysis of customer needs within the packaging sector, which led to significant growth in its food packaging and paper bag businesses; as well as the active expansion of its business operations into international markets such as the Middle East.

### COST OF SALES

Our cost of sales primarily consists of (i) costs of raw materials and goods, (ii) labor costs and (iii) logistics costs and (iv) others which primarily included cost of sales related to our other businesses.

For the year ended December 31, 2025, cost of sales of the Group increased to RMB3,579.0 million from RMB3,109.9 million for the year ended December 31, 2024, primarily attributable to an increase in operating costs corresponding to the increase in revenue from cross-border e-commerce business and packaging business during the period.

### SELLING AND MARKETING EXPENSES

Our selling and marketing expenses primarily consist of (i) advertising expenses in connection with placing advertisement on social media platforms for our cross-border social e-commerce business, (ii) staff costs for sales and marketing staff and (iii) service expenses mainly relating to platform technology service fees in connection with our cross-border social e-commerce business.

For the year ended December 31, 2025, the selling and marketing expenses of the Group increased by approximately 28.4% to RMB2,375.8 million from RMB1,849.6 million for the year ended December 31, 2024. The increase was primarily attributable to an increase in advertising expenditure corresponding to the increase in revenue from cross-border e-commerce business during the period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### ADMINISTRATIVE EXPENSES

Our administrative expenses primarily consist of (i) staff costs, (ii) office expenses, (iii) rental expenses and (iv) professional fees. For the year ended December 31, 2025, the administrative expense of the Group increased by 2.5% to RMB273.4 million from RMB264.6 million for the year ended December 31, 2024. The increase was primarily attributable to an increase in office rental costs and intermediary fees incurred by the administrative department during the period compared with last year.

### RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses primarily consist of (i) staff costs for research and development staff and (ii) materials costs (primarily for raw materials) for product research and technology development for our paper packaging business. For the year ended December 31, 2025, the research and development expenses of the Group increased by 9.4% to RMB136.1 million from RMB124.4 million for the year ended December 31, 2024. The increase was primarily attributable to increased staff costs for research and development personnel and higher costs for materials used in product and technical development within the paper packaging business.

### FINANCE COSTS

Our finance costs consist of (i) interest on bank borrowings, (ii) interest on lease liabilities and (iii) factoring charges. For the year ended December 31, 2025, the finance costs of the Group increased to RMB14.8 million from approximately RMB12.3 million for the year ended December 31, 2024, primarily attributable to an increase in interest expense on borrowings for the period, as our Company utilised its banking facilities to secure a significant amount of bank borrowings in order to advance its equipment procurement business for the packaging project in the Middle East and to meet the need for prepayments to packaging suppliers of raw paper.

	For the year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Interest on bank borrowings	9,543	54.3	6,083	49.7
Interest on lease liabilities	3,436	23.2	4,850	39.6
Factoring charges	1,858	12.5	1,317	10.8
Total	14,837	100	12,250	100



## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER EXPENSES AND LOSSES

Our other expenses and losses primarily consist of (i) investment loss on disposal of associates and subsidiaries, and (ii) impairment loss on fixed assets. For the year ended December 31, 2025, the other expenses and losses of the Group increased to RMB5.8 million from RMB2.4 million for the year ended December 31, 2024, primarily attributable to an increase in losses on the disposal of investments in associates compared with last year.

### INCOME TAX EXPENSES

For the year ended December 31, 2025, we recorded income tax expenses of Group increased to RMB41.0 million from RMB33.7 million for the year ended December 31, 2024, primarily attributable to an increase in the provision for corporate income tax, which corresponds to the increase in total profit for the period compared with the same period last year.

### PROFIT FOR THE YEAR

In 2025, the Group's profit for the year was RMB334.1 million, representing an increase of 81.1% as compared with RMB184.5 million last year, which was mainly due to the increase in net profit resulting from the increase in revenue from the cross-border e-commerce business and packaging business during the period.

### Gross profit and gross profit margins

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit for the year ended December 31, 2025 was RMB3,142.6 million, representing an increase from RMB2,419.3 million as of December 31, 2024, primarily due to an increase in revenue from the cross-border e-commerce business and packaging business during the period. Our gross profit margin for the year ended December 31, 2025 was 46.8%, representing an increase of 3% from 43.8% in December 31, 2024, primarily due to an increase in the proportion of revenue from the cross-border social e-commerce business with a higher gross profit margin during the period.

### Other income and gains

Our other income and gains primarily consist of government grants and bank interest income. For the year ended December 31, 2025, our other income and gains were RMB68.4 million, representing an increase of 12.0% from RMB61.1 million for the year ended December 31, 2024.

### TOTAL ASSETS

As at December 31, 2025, total assets of the Group amounted to RMB4,321.9 million, representing an increase of 23.4% as compared with RMB3,503.1 million as at the end of last year, mainly due to a year-on-year increase in investments in associates, trade and bill receivables, cash and cash equivalents, and amounts due from related parties compared with the end of last year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### NET CURRENT ASSETS

Our net current assets increased from RMB889.7 million as of December 31, 2024 to RMB1,485.9 million as of December 31, 2025, primarily due to the incoming proceeds from the Global Offering.

### CASH AND CASH EQUIVALENTS

Our cash and cash equivalents increased from RMB711.1 million as of December 31, 2024 to RMB1,229.6 million as of December 31, 2025, primarily due to the issue of H Shares and an increase in cash balances from operating activities during the period.

### INVENTORIES

Our inventories primarily consist of (i) raw materials, (ii) work in progress, (iii) finished goods, (iv) and others. Our inventories increased from RMB447.9 million as of December 31, 2024 to RMB516.1 million as of December 31, 2025, primarily due to higher year-end inventories of raw materials and finished goods in the packaging business.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at December 31, 2025, total loans and borrowings of the Group amounted to approximately RMB548.0 million (December 31, 2024: approximately RMB248.2 million), representing an increase of approximately RMB299.8 million or 120.8% as compared with that as at December 31, 2024. The Group's loans and borrowings were at floating interest rates of 0.60% to 2.70% (December 31, 2024: floating interest rates of 2.55% to 4.00%) and denominated in RMB during the Reporting Period.

As at December 31, 2025, the loans and borrowings included secured bank loans of RMB52.9 million (December 31, 2024: approximately RMB67.5 million) with maturity date of more than 2 years but not exceeding 5 years, secured bank loans of RMB13.8 million (December 31, 2024: RMB59.6 million) with maturity date of more than 1 year but not exceeding 2 years, and secured bank loans of approximately RMB207.4 million (December 31, 2024: approximately RMB34.1 million) with maturity date of less than a year or which were repayable within one year.

As at December 31, 2025, the Group had cash and cash equivalents of approximately RMB1,229.6 million (December 31, 2024: approximately RMB711.1 million), which were denominated in RMB.

Net current assets amounted to approximately RMB535.1 million (December 31, 2024: RMB16.7 million). Current ratio (defined as total current assets divided by total current liabilities) was approximately 1.69 times (2023: 1.02 times). The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 11% (December 31, 2024: approximately 19%).

The Group maintains a solid financial position and is able to meet its obligations when they become due in its ordinary and usual course of business. As of December 31, 2025, the current assets of the Group were RMB2,728.1 million, including cash and cash equivalents of RMB1,229.6 million and other current assets of RMB1,498.5 million. As of December 31, 2025, the current liabilities of the Group were RMB1,242.2 million, including trade and bills payables of RMB695.5 million, other payables and accrued liabilities of RMB145.5 million and borrowings of RMB309.5 million. The Group's working capital requirements were mainly financed by internal resources.



## MANAGEMENT DISCUSSION AND ANALYSIS

### CHARGE ON GROUP ASSETS

During the Reporting Period, certain of the Group's buildings and right-of-use assets were pledged to secure bank facilities granted to the Group for Interest-bearing bank borrowings. For more details, please refer to note 29 of the consolidated financial statements of this report.

### CONTINGENT LIABILITIES

As at December 31, 2025, the Group did not have any material contingent liabilities (December 31, 2024: Nil).

### CAPITAL COMMITMENTS

As at December 31, 2025, the Group had capital commitments in relation to contracted, but not provided for purchase of property, plant and equipment of RMB95.2 million (December 31, 2024: approximately RMB11.5 million).

### FUNDING AND TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended December 31, 2025. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. For the year ended December 31, 2025, the Group did not use any risk hedging instrument and would consider using such if the need arises.

### FOREIGN CURRENCY RISK

The Group mainly operates in the PRC with most of its transactions settled in RMB. The assets, liabilities and transactions arising from the operations are mainly denominated in RMB. Although the Group may be exposed to foreign currency exchange risks, the Board believes that the future currency fluctuations will not have a material impact on the Group's operations and the Group did not enter into any derivative contracts to hedge its exposure to foreign exchange risks for the year ended December 31, 2025. The Group has not adopted any formal hedging policies and would consider adopting such policies if the need arises.

### GEARING RATIO

As at December 31, 2025, the Group's gearing ratio was approximately 9% (December 31, 2024: approximately 19%), representing the total loans and borrowings as a percentage of the total equity attributable to equity holders of our Company as at the end of the respective years. The decrease in gearing ratio was mainly attributable to increase in equity capital resulting from the issue of H Shares during the period.

### SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The management adopted a prudent investment strategy to utilise surplus cash to generate stable interest income from low-risk investment products. The management also monitored the investment performance of those products on a regular basis.

The Group did not have any significant investment nor did the Group carry out any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended December 31, 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have other future plans for material investments and capital assets as at the date of this report.

### EVENTS AFTER THE REPORTING PERIOD

On March 31, 2026, our Company proposed a profit distribution plan for the year of 2025, pursuant to which a dividend of RMB1.80 per 10 Shares of our Company's issued and outstanding shares after deducting repurchased shares, in an aggregate amount of RMB79,259,199.84 will be paid. The proposed profit distribution plan is subject to our Company's shareholders at the forthcoming annual general meeting.

### EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2025, the Group had 4,757 employees (December 31, 2024: 4,324 employees). During the year ended December 31, 2025, our employee benefit expenses amounted to approximately RMB658.1 million (year ended December 31, 2024: approximately RMB618.4 million).

The terms of employment of employees conform to normal commercial practice. Our Company strictly implements the Labor Contract Law of the PRC and other applicable laws and regulations, enters into labor contracts with employees, and reasonably determines basic compensation based on factors such as job position, work capability, professional skills and performance. It implements a performance appraisal mechanism, focusing on appraisal and incentives while ensuring fairness. It has established systems for social insurance management to pay corresponding social insurance and housing provident funds for employees. It provides employee dormitories, rental subsidies, and canteens, organizes training, and provides free opportunities for skill enhancement to continuously improve the professional quality and skill levels of employees and enhance their sense of belonging.

### ISSUE OF SECURITIES

Save as disclosed in this report, our Company had not issued any of its securities for cash (including securities convertible into equity securities) or sell treasury shares for cash during the year ended December 31, 2025. For details of the global offering of our Company in 2025, please refer to the section headed "Global Offering" in this report.

### FINANCIAL ASSISTANCE AND GUARANTEES

Reference is made to the circular (the "**EGM Circular**") of our Company dated August 25, 2025, in relation to, among others, the adjustment to the estimated guarantee amount provided to certain wholly-owned subsidiaries (the "**Guaranteed Parties**").



## MANAGEMENT DISCUSSION AND ANALYSIS

To meet the needs of business development and day-to-day operations, pursuant to the resolutions of the second extraordinary general meeting of 2025 convened on September 8, 2025, our Company shall provide additional estimated guarantee amount of RMB250 million for the performance obligations of the Guaranteed Parties. Following the increase in guarantee amount for the performance obligations, our Company's total estimated guarantee amount for the performance obligations of the Guaranteed Parties in 2025 will increase from RMB400 million to RMB 650 million.

The above-mentioned controlled subsidiaries will determine the suppliers, quantities, and amounts of raw materials/products purchased based on, among others, actual production and operation demands, and quotations from suppliers. If suppliers require our Company to provide guarantees for the performance of obligations under the purchase contracts by the Guaranteed Parties, our Company shall provide joint and several liability guarantees within the aforementioned limits. The specific guarantee amount, guarantee method, and guarantee term shall be subject to the finalized contracts signed by all parties.

For the year ended December 31, 2025, the Group has not provided any specific financial assistance or guarantee to its subsidiaries that is required to be disclosed under Rule 13.16 of the Listing Rules nor has it provided any financial assistance or guarantee that is required to be disclosed under Chapter 14A of the Listing Rules.

### GLOBAL OFFERING

On May 27, 2025, the H Shares of our Company were listed on the Main Board of the Stock Exchange in a global offering of 67,910,000 H Shares, comprising a Hong Kong public offering of 20,373,000 H Shares and an international offering of 47,537,000 H Shares (as adjusted after reallocation). The H Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK\$7.68 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. Net proceeds from such issue amounted to HK\$415.2 million. Our Company raised such proceeds under the Global Offering for its overseas market expansion, promoting technology development in (1) research and development capabilities, (2) data analytical capabilities to enhance business efficiency, and (3) GiiMall to expand revenue streams, and to facilitate the expansion of brands portfolio and development of existing self-developed brands as well as to replenish its working capital.

For details of the Global Offering, please refer to the Prospectus and the allotment results announcement of our Company dated May 26, 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Listing) amounted to approximately HK\$415.2 million. There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table sets out breakdown of the use of net proceeds from the Global Offering as of December 31, 2025.

Intended utilization	Approximate % of total net proceeds	Actual amount of net proceeds	Net proceeds (HK\$' million)		Expected timeline for unutilized amount
			Utilized amount as of December 31, 2025	Unutilized amount as of December 31, 2025	
Overseas market expansion	40%	170.8	0	170.8	December 31, 2027
Technology development in (1) research and development capabilities, (2) data analytical capabilities to enhance business efficiency, and (3) GiiMall to expand revenue streams	35%	149.4	0	149.4	December 31, 2027
Expansion of brands portfolio and development of existing self-developed brands	15%	64.0	0	64.0	December 31, 2027
Working capital and other general corporate purposes	10%	42.7	0	42.7	December 31, 2027

It is expected that all remaining unutilized net proceeds will be fully utilized by December 31, 2027. The expected timing of the utilization of the remaining proceeds is based on the Group’s view that such timing will vary depending on current and future developments in market conditions.



## MANAGEMENT DISCUSSION AND ANALYSIS

### NON-COMPETITION UNDERTAKINGS

In March 2013, each of Ms. Zhuang Hao, Mr. Zhuang Shu and Xiamen Yongyue Investment Consulting Co., Limited\* (廈門市永悅投資諮詢有限公司) (the predecessor of Tibet Yongyue) entered into a non-competition undertaking in favor of our Group, pursuant to which, each of Ms. Zhuang Hao, Mr. Zhuang Shu and Xiamen Yongyue Investment Consulting Co., Limited\* (廈門市永悅投資諮詢有限公司) (the predecessor of Tibet Yongyue) have undertaken respectively that (1) as of the date of the undertaking, the enterprises in which the undertaking party had invested directly or indirectly were not engaged in the same or similar business as our Company and our controlled subsidiaries, and the undertaking party had not operated the same or similar business as our Company and our controlled subsidiaries for others; and (2) during the period when the undertaking party is the controlling shareholder (as defined under the Company Law and the Shenzhen Stock Exchange Listing Rules) of our Company, the undertaking party will not directly or indirectly engage in the same or similar business activities as our Company and our controlled subsidiaries.

In April 2018, Ms. Zhuang Hao, Mr. Zhang Heping, Ms. He Jingying, Mr. Zhuang Shu and Xiamen Yongyue Investment Consulting Co., Limited\* (廈門市永悅投資諮詢有限公司) (the predecessor of Tibet Yongyue), among others, entered into a non-competition undertaking in favor of our Group, pursuant to which each of Ms. Zhuang Hao, Mr. Zhang Heping, Ms. He Jingying, Mr. Zhuang Shu and Xiamen Yongyue Investment Consulting Co., Limited\* have undertaken, among others, (1) as of the date of the undertaking, the enterprises in which the undertaking parties had invested directly or indirectly were not engaged in the same or similar business as our Company and our controlled subsidiaries, and the undertaking parties had not operated the same or similar business as our Company and our controlled subsidiaries for others; and (2) during the period when the undertaking party is the controlling shareholder and actual controller (as defined under the Company Law and the Shenzhen Stock Exchange Listing Rules) of our Company, the undertaking party will not directly or indirectly engage in the same or similar business activities as our Company and our controlled subsidiaries.

### FINAL DIVIDEND

The Board proposed and has resolved to declare a final dividend in cash to its shareholders in the amount of RMB1.80 (tax inclusive) per 10 Shares based on the distributable share capital of our Company of 440,328,888 Shares (being our Company's total share capital of 450,405,288 shares excluding 10,076,400 shares held in the dedicated repurchase account) in issue as of the date of this report for the year ended December 31, 2025.

The aforesaid final dividend distribution proposed is subject to the consideration and approval at the annual general meeting of our Company to be held on April 29, 2026 (the "**Annual General Meeting**"). If the distribution proposal is approved at the Annual General Meeting it is expected that the final dividend for the year ended December 31, 2025 will be paid within 2 months after the Annual General Meeting to the Shareholders. Please refer to circular of the Annual General Meeting of our Company dated March 31, 2025 and published on the website of the Hong Kong Stock Exchange for the details of the aforesaid final dividends.

If there is any change in the total share capital, such as exercise of equity incentives, conversion of convertible bonds, or share repurchases, from the date of the announcement of the profit distribution plan to the date of its implementation, the total distribution amount will be adjusted in accordance with the principle that the existing distribution ratio remains unchanged.

# BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Ms. ZHUANG Hao (莊浩)**, aged 57, is an executive Director and the chairwoman of the Board, and is primarily responsible for the overall management, strategic and business development of the Group. Ms. Zhuang served as a manager of our Company upon establishment and was subsequently appointed as a Director in 2003, after which she has continued to serve as a Director. Ms. Zhuang is also the Chairperson of the Strategy Committee of our Company. Ms. Zhuang currently serves key positions in a number of our subsidiaries. She is a director of Xiamen Haisheng Rongchuang Information Technology Co., Ltd.\* (廈門海晟融創資訊技術有限公司). She also serves as an executive director of Xiamen Jiketuo Innovation Technology Co., Ltd.\* (廈門吉客拓創新科技有限公司). She is also an executive director and the general manager of Jiangxi Jihong Supply Chain Management Co., Ltd.\* (江西吉宏供應鏈管理有限公司) and Xiamen Jikeyin E-Commerce Co., Ltd.\* (廈門市吉客印電子商務有限公司), the supervisor of Hangzhou GiiMall Internet Technology Co., Ltd. (杭州吉喵雲網絡科技有限公司), and a director of AJT Holding International Limited.

Ms. Zhuang has over 30 years of experience in the packaging and advertisement industry. From December 1996 to February 2021, Ms. Zhuang served as an executive director and the general manager at Xiamen Zhengqi Information Technology Co., Limited\* (廈門市正奇信息技術有限公司), a former subsidiary of our Company, a company principally engaged in the advertisement designing and plate making business.

Ms. Zhuang obtained her bachelor's degree in printing engineering from the Beijing Institute of Graphic Communication (北京印刷學院) in June 1992.

Ms. Zhuang is the spouse of Mr. Zhang Heping, our executive Director, and the sister of Mr. Zhuang Shu, our executive Director.

**Mr. ZHANG Heping (張和平)**, aged 57, is an executive Director and general manager of our Company, and is primarily responsible for the overall management, strategic and business development, and overall management of packaging business of the Group. Mr. Zhang is also a member of the Nomination Committee and the Strategy Committee of our Company. Mr. Zhang served as a director of our Company from July 2010 to November 2016. From November 2016 to November 2022, he served as a director and general manager of our Company. Mr. Zhang was appointed as a director, vice chairman and deputy general manager of our Company in November 2022. Mr. Zhang currently holds various roles in our subsidiaries. He serves as an executive director and general manager of Xiamen Jihong Packaging Industry Co., Limited\* (廈門吉宏包裝工業有限公司), Hohhot Jihong Printing & Packaging Co., Limited\* (呼和浩特市吉宏印刷包裝有限公司), Jinan Jihong Packaging Limited\* (濟南吉聯包裝有限公司) and VStar Packaging (China) Limited\* (孝感市吉聯食品包裝有限公司), the chairman of Luanzhou Jihong Packaging Limited\* (瀋州吉宏包裝有限公司), an executive director of Langfang Jihong Packaging Limited\* (廊坊市吉宏包裝有限公司), Huanggang Jihong Packaging Limited\* (黃岡市吉宏包裝有限公司) and Shaanxi Jihong Packaging Limited\* (陝西吉宏包裝有限公司), and he also serves as an executive director and financial principal of Ningxia Jihong Environmental Protection Packaging Technology Co., Limited\* (寧夏吉宏環保包裝科技有限公司), and the chairman of Xiamen 3060 Carbon Reduction Technology Co., Limited\* (廈門三零六零碳減科技有限公司).

Mr. Zhang has over 30 years of experience in the printing and packaging business. From December 1996 to February 2006, Mr. Zhang served as the vice general manager of Xiamen Zhengqi Information Technology Co., Limited\* (廈門市正奇信息技術有限公司), a former subsidiary of our Company, a company principally engaged in advertisement designing and plate making business.

Mr. Zhang obtained his bachelor's degree in printing engineering from Beijing Institute of Graphic Communication (北京印刷學院) in June 1992.

Mr. Zhang is the spouse of Ms. Zhuang Hao, our executive Director.



## BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

**Mr. ZHUANG Shu (莊澍)**, aged 55, is an executive Director and a deputy general manager of our Company, and is responsible for the overall management, strategic and business development, and management of packaging business of the Group. Mr. Zhuang was appointed as a Director and the deputy general manager of our Company in November 2013. Mr. Zhuang is also a member of the Remuneration and Appraisal Committee of our Company. Mr. Zhuang currently serves as a director and of Xiamen 3060 Carbon Reduction Technology Co., Limited\* (廈門三零六零碳減科技有限公司), a director of Luanzhou Jihong Packaging Limited\* (灤州吉宏包裝有限公司), and a supervisor of Hohhot Jihong Printing & Packaging Co., Limited\* (呼和浩特市吉宏印刷包裝有限公司), Ningxia Jihong Environmental Protection Packaging Technology Co., Limited\* (寧夏吉宏環保包裝科技有限公司), and Shaanxi Jihong Packaging Limited\* (陝西吉宏包裝有限公司), all of which are our subsidiaries.

From September 1994 to February 2006, Mr. Zhuang worked at China Telecommunications Corporation Limited Xiamen Branch (中國電信股份有限公司廈門分公司), a company principally engaged in the telecommunication business. From February 2006 to October 2013, Mr. Zhuang served as the vice general manager at Langfang Branch of Xiamen Jihong Technology Co., Limited\* (廈門吉宏科技股份有限公司廊坊分公司), a company principally engaged in the packaging business and a subsidiary of our Company.

Mr. Zhuang graduated from the Southwest Jiaotong University (西南交通大學) in the PRC with a bachelor's degree in mechanical engineering in June 1994. He further obtained a master's degree in business administration from Xiamen University (廈門大學) in the PRC in January 2005.

Mr. Zhuang is the brother of Ms. Zhuang Hao, our executive Director.

**Mr. LU Tashan (陸它山)**, aged 28, is an executive Director and vice chairman, a deputy general manager, and joint company secretary of our Company, and is responsible for the Hong Kong business of the Group. Since April 2023, Mr. Lu has served as the general manager's assistant of our Company and a director of Hongkong Gat Wang Technology Limited, our wholly-owned subsidiary, a deputy general manager of Lucky Ecommerce Limited, a director of Xiamen Haisheng Rongchuang Information Technology Co., Ltd. (廈門海晟融創資訊技術有限公司), a director of AJT Holding International Limited, and the general manager of AJT Printing and Packing FZ-LLC.

Prior to joining the Group, Mr. Lu worked as a technology product specialist at Apple Trading (Shanghai) Co., Limited\* (蘋果貿易(上海)有限公司), a company engaged in the technology and retail businesses, from May 2021 to March 2022. Mr. Lu then worked at Ningbo Goldbrick Trading Co. Ltd (寧波金磚貿易有限公司) until November 2022.

Mr. Lu graduated from Ritsumeikan University in Japan with a bachelor's degree in civil engineering in March 2021.

### EMPLOYEE REPRESENTATIVE DIRECTOR

**Ms. BAI Xueting (白雪婷)**, aged 47, was appointed as the chairlady of the supervisory committee of our Company (currently abolished) in November 2011, and was primarily responsible for the overall operation of the supervisory committee of our Company and the supervision of the Board, senior management and the business operations of the Group.

Since December 2003, Ms. Bai has served as the head of the business department of our Company, and is primarily responsible for supervision of the the Group's business operations. Since September 2021, Ms. Bai has served as a supervisor of Stork Paper (Shanghai) Co., Ltd. (思塔克紙業(上海)有限公司), and is primarily responsible for supervision of its board, senior management and the business operations.

Ms. Bai graduated from Quanzhou Agricultural and Engineering School (泉州農業工程學校) in June 1998.



## BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTOR

**Dr. ZHANG Guoqing (張國清)**, aged 50, is our independent non-executive director, the chairman of the Audit Committee and a member of the Remuneration and Appraisal Committee of our Company. He is responsible for supervising and providing independent judgment and opinion to our Board on issues material to our Group and where otherwise required.

Dr. Zhang has more than 15 years of experience in academia, financial reporting, management and services. Dr. Zhang joined Xiamen University (廈門大學) in the PRC in July 2005 and is currently the deputy head of the Department of Accounting and a professor of accounting at the School of Management of the university. Since February 2023, Dr. Zhang has served as an independent director of Guangzhou Baiyun Electric Equipment Co., Ltd. (廣州白雲電器設備股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603861) and primarily engaged in the research and development, manufacturing, sale and services of complete switchgear control equipment. Since December 2025, Dr. Zhang has served as an independent director of Foxit Software Incorporated (福建福昕軟體開發股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 688095.SH).

Dr. Zhang graduated from the Nanchang University (南昌大學) in the PRC with a bachelor's degree in marketing in July 1998. He further obtained a master's degree in accounting from the Xiamen University (廈門大學) in the PRC in July 2002, and a doctor's degree in accounting from the Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2005.

**Professor Alfred SIT Wing Hang (薛永恒)**, GBS, JP, aged 65, is our independent non-executive Director. Professor Sit is a member of the Strategy Committee and Nomination Committee of our Company. He is responsible for supervising and providing independent judgment and opinion to our Board on issues material to our Group and where otherwise required.

Professor Sit joined the Electrical and Mechanical Services Department (EMSD) in 1984 and was subsequently promoted to the Director in 2017. From April 2020 to June 2022, Professor Sit served as the Secretary for Innovation and Technology of the Hong Kong SAR Government. Since July 2023, Professor Sit has served as an independent non-executive director of Regal Partners Holdings Limited (皇庭智家控股有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 1575) and primarily engaged in the manufacturing of sofas and sofa covers in Chinese mainland with an integrated design, manufacturing, sales and marketing operation. Since October 2023, Professor Sit has served as an independent non-executive director of Envision Greenwise Holdings Limited (晉景新能控股有限公司) (formerly known as Golden Ponder Holdings Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 1783) and primarily engaged in the residential and commercial buildings construction business as well as environmental conservation business. Since January 2024, Professor Sit has served as an independent non-executive director of Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 897) and primarily engaged in the manufacturing and sales of medicine, and since April 2025, Professor Sit has served as an independent non-executive director of China State Construction Development Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 830) and primarily engaged in the construction industry.

Professor Sit received the Higher Diploma in Electrical Engineering in 1981 and the Associateship in Electrical Engineering in November 1982 at The Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University). Professor Sit obtained his master of business administration at The Chinese University of Hong Kong in October 1992. Professor Sit is a fellow member of the Hong Kong Institution of Engineers, and is currently an honorary fellow of the Hong Kong Institute of Facility Management and a Professor of Practice of the Department of Electrical and Electronic Engineering at the Hong Kong Polytechnic University. Professor Sit is also the Chief Executive and Secretary of the Hong Kong Institution of Engineers, a Senior Advisor to the President and Vice-Chancellor and Honorary Professor of the Hong Kong Baptist University.



## BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

**Mr. TANG Yi Hoi (鄧以海)**, aged 62, is our independent non-executive Director. Mr. Tang obtained a Bachelor of Arts degree from the Hong Kong Polytechnic University in October 2011, and completed the Advanced Management Programme at INSEAD (Institut Européen d' Administration des Affaires) in France as well as the Advanced Management Programme at National Academy of Governance in the PRC.

Mr. Tang joined the Immigration Department of Hong Kong in 1985. He joined the Customs and Excise Department of Hong Kong in 1987, served as the Commissioner of Customs and Excise of Hong Kong in July 2017 and retired in October 2021. Mr. Tang was appointed as Justices of the Peace in October 2022. He was awarded the Commissioner of Customs and Excise's Commendation in 1997; the Hong Kong Customs and Excise Long Service Medal in 2005; the first and second clasps in 2012 and 2017, respectively; the Hong Kong Customs and Excise Medal for Meritorious Service in 2014; Hong Kong Customs and Excise Medal for Distinguished Service in 2019; and the Silver Bauhinia Star in 2021.

Mr. Tang is currently a member of the Public Complaints Committee of the Hospital Authority of Hong Kong, a director of Logistics and Supply Chain MultiTech R&D Centre Limited and a member of the Court of Hong Kong Metropolitan University, a non-executive director and the vice-chairman of the board of directors of Vobile Group Limited (卓博集團有限公司) (03738.HK), and an independent non-executive director of China Resources Building Materials Technology Holdings Limited (華潤建材科技控股有限公司) (01313.HK), Chu Kong Shipping Enterprises (Group) Company Limited (珠江船務企業(股份)有限公司) (00560.HK), Bamboos Health Care Holdings Limited (百本醫護控股有限公司) (02293.HK) and JD Logistics, Inc. (京東物流股份有限公司) (02618.HK).

**Mr. CAI Qinghui (蔡慶輝)**, aged 52, is our independent non-executive Director. Mr. Cai graduated from Xiamen University in May 2009, majoring in international law, and holds a Doctor of Philosophy degree. He was an independent director of Motic (Xiamen) Electric Group Co., Ltd. (麥克奧迪(廈門)電氣股份有限公司), Xiamen Xiangyu Co., Ltd. (廈門象嶼股份有限公司), Yunnan Luoping Zinc & Electricity Co., Ltd. (雲南羅平鋅電股份有限公司), Suzhou Jinhongshun Auto Parts Co., Ltd. (蘇州金鴻順汽車部件股份有限公司) and Hunan Longzhou Farm Equipment Holdings Co., Ltd. (湖南龍舟農機股份有限公司). Currently, he is an associate professor/supervisor postgraduate in Xiamen University. He is also an independent director of Xiamen Intretech Inc. (廈門盈趣科技有限公司) (002925.SZ) and Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司) (601828.SH). Mr. Cai is a part-time lawyer of Fidelity Law Firm in Fujian, a director of China Association for Fiscal and Tax Law, a standing director of Fujian Association for Fiscal and Tax Law\* (福建省法學會財稅法學研究會), a director of Xiamen International Taxation Research Institute\* (廈門市國際稅收研究會), and an arbitrator of Xiamen Arbitration Commission (廈門仲裁委員會).

### SENIOR MANAGEMENT

Our Senior Management comprises Mr. ZHANG Heping, Mr. ZHUANG Shu, Mr. LU Tashan and Mr. WU Minggui. For biographical details of Mr. ZHANG Heping, Mr. ZHUANG Shu and Mr. LU Tashan, please refer to the paragraph headed "Executive Directors" in this section.

**Mr. WU Minggui (吳明貴)**, aged 54, joined our Company as a finance manager in April 2011, and has served as the finance director of our Company since April 2013, and is primarily responsible for the financial management of our Company, and has served as a supervisor of Guizhou Guishi Wine Industry Co., Ltd.\* (貴州貴勢酒業有限公司) since October 2022.

Prior to joining our Company, Mr. Wu worked at Xiamen Weilian Software Development Co., Limited\* (廈門微聯軟件開發有限公司), and from January 2008 to April 2011, Mr. Wu worked at Xiamen Jinlian Logistics Co., Limited\* (廈門晉聯物流有限公司) as the manager of the planning and finance department.

Mr. Wu obtained his college degree in accounting from Xiamen University (廈門大學) in the PRC in June 2002. Mr. Wu has been a certified intermediate accountant in the PRC since May 2005.



## BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

### JOINT COMPANY SECRETARIES

Mr. LU Tashan (“**Mr. LU**”) and Ms. TAM Wing Tsz (“**Ms. TAM**”) are our joint company secretaries. For biographical details of Mr. LU, please refer to the paragraph headed “Executive Directors” in this section. Ms. TAM’s biographical details are set out below.

Ms. TAM has over 13 years of experience in company secretarial services and corporate governance in both Hong Kong and multinational corporations. She is skilled in managing corporate entities and their compliance, as well as supervising subsidiaries across various industries.

Currently, she serves as the Manager of Entity Solutions at Computershare Hong Kong Investor Services Limited (“**Computershare**”). In this role, she continues to utilize her extensive expertise in corporate governance and compliance to support clients in navigating complex regulatory environments and strategic initiatives.

Before joining Computershare, Ms. TAM worked at several multinational professional service firms, serving a wide array of clients across different regions and overseeing various types of companies.

Ms. TAM holds a master’s degree in corporate governance from Hong Kong Polytechnic University and a bachelor’s degree in corporate administration from Hong Kong Metropolitan University. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. TAM therefore fulfills the requirements under Rules 3.28 and 8.17 of the Listing Rules.



## DIRECTORS' REPORT

The Board of Directors presents this annual report and the audited consolidated financial statements of our Company and its subsidiaries for the year ended December 31, 2025.

### BUSINESS REVIEW

#### Principal Business

The Group is mainly engaged in cross-border social e-commerce business, in which the Group places targeted advertisements on social media platforms to attract consumers to purchase products precisely recommended to them based on our Company's data analysis, and FMCG paper packaging business, in which the Group provides one-stop paper packaging products and services to FMCG enterprise customers.

#### Business Review and Analysis of Key Indicators of Financial Performance

For business review and analysis of key indicators of financial performance of the Group for the year ended December 31, 2025, please refer to the sections headed "Financial Highlight" and "Management Discussion and Analysis" in this report.

### COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

### PRINCIPAL RISKS AND UNCERTAINTIES

Our business and operation are subject to the following principal risks and uncertainties:

- Disruption of our relationships and unfavorable changes in terms of our arrangements with third-party business partners for our cross-border social e-commerce business could have a material adverse effect on our business and results of operations.
- We may not be able to identify and respond to changes in consumption trends and consumer preferences and market demand in a timely manner.
- Any material shortage or delay in supply by our suppliers or instability of their product quality, any difficulty in sourcing products demanded by our consumers, and any difficulty in maintaining our current relationships with our suppliers or finding replacements for our suppliers in a timely manner, could materially and adversely affect our business.
- We operate in the competitive China's B2C outbound social media e-commerce market and FMCG paper consumer packaging industry in Chinese mainland. If we fail to compete effectively and successfully, our customer base, market share and profitability may be materially and adversely affected.
- We may not be able to successfully enhance our market penetration through expanding our sales and distribution channels.



## DIRECTORS' REPORT

### FUTURE DEVELOPMENTS OF THE GROUP

For future developments of the Group following the year ended December 31, 2025, please refer to the sections headed "Chairwoman's Statement," "Management Discussion and Analysis" in this report. The above sections form part of the Directors' Report.

### SUBSEQUENT EVENTS

Save as disclosed herein, no significant subsequent event was undertaken by the Group after December 31, 2025 and up to the date of this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to our Company and to the knowledge of the Directors, there was sufficient public float of not less than 25% of the issued Shares as required under the Listing Rules since the Listing Date and up to the date of this report.

### SEGMENTAL INFORMATION

An analysis of the Group's performance for the year ended December 31, 2025 by operating segment is set out in note 4 to the consolidated financial statements.

### DIVIDEND POLICY

In recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its Shareholder value. The Board has the full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend payout, the Board shall take into account, among other things, the Group's financial results, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under the applicable laws and regulations and the Articles.

### RESULTS AND DIVIDENDS

The Group's results for the year ended December 31, 2025, prepared in accordance with the Hong Kong Institute of Certified Public Accountants (HKICPA) and disclosure provisions of the Hong Kong Companies Ordinance, are set out in the consolidated statement of profit or loss on page 78 of this report.

1. On 25 April 2025, our Company's shareholders approved the 2024 profit distribution plan at the 2024 annual general meeting, pursuant to which a dividend of RMB0.158 (tax inclusive) for every share, in an aggregate cash dividend of RMB59,723,903.30, was paid on 22 May 2025 to Shareholders, based on the distributable share capital of 377,999,388 shares calculated by the then total share capital of our Company of 384,769,288 shares after deducting 6,769,900 shares held in our Company's repurchase account.
2. On 8 September 2025, our Company's shareholders approved the 2025 interim profit distribution plan at the 2025 second extraordinary general meeting, our Company distributed an interim cash dividend to all ordinary Shareholders for the six months ended 30 June 2025. Based on the distributable share capital of 440,328,888 shares calculated by the then total A+H share capital of our Company of 450,405,288 shares after deducting 10,076,400 shares held in our Company's repurchase account, the interim dividend distributed was RMB0.18 per share (tax inclusive). Among which, the distribution of H share dividend was calculated at the central parity rate of RMB1.00 to HK\$1.0978 and was paid to holder of H shares in Hong Kong dollars of HK\$0.1976 per H share with a total amount of HK\$13,419,016 (tax inclusive), the H share equity distribution was completed on 7 November 2025.

The Directors recommend the payment of a final dividend for the year ended December 31, 2025. For more details of the final dividend, please refer to "Final Dividend" in "Management Discussion and Analysis" of this report.

As far as our Company is aware, as at December 31, 2025, there has been no arrangement under which any Shareholder has waived, or agreed to waive, any dividends proposed to be distributed for the year ended December 31, 2025.



## DIRECTORS' REPORT

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out in the Five Year Financial Summary on page 177 of this report. The summary does not form a part of the audited financial statements. The results published may not be comparable to the balance sheet.

### PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended December 31, 2025 are set out in note 14 to the consolidated financial statements on pages 138 of this report.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognizes the importance of striving for environmental sustainability. The Group has complied with the applicable environmental laws and regulations of the places where the Group has business operations. The Group reviews its environmental practices regularly and will consider implementing further measures and practices in the Group's business operations to enhance sustainability.

The Group has always paid great attention to and has maintained a good working relationship with its suppliers, and has been providing satisfactory customer services for its customers. The aforementioned suppliers and customers are good working partners creating value for the Group. In addition, the Group also values the knowledge and skills of its employees, and continues to provide career development opportunities for its employees.

Further information in relation to the environmental policies and performance of our Company is set out in the section headed "Environmental, Social and Governance Report" which is to be published on the same day with this annual report.

### SHARE CAPITAL

Details of our Company's share capital are set out in note 32 to the consolidated financial statements on page 157 of this report.

### RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on pages 82 to the consolidated financial statements of this report.

Details of the movement in the reserves of our Company are set out in note 33 to the consolidated financial statements on page 158 of this report.

As at December 31, 2025, the distributable reserves of our Company amounted to RMB785.5 million (as at December 31, 2024: RMB436.4 million).

### MAJOR CUSTOMERS AND SUPPLIERS

Sales to the largest customer and the five largest customers accounted for 13.63% and 23.43% of total revenue of the Group for the year ended December 31, 2025, respectively. Purchases from the largest supplier and the five largest suppliers accounted for 12.06% and 28.21%, respectively of total purchases of the Group for the year ended December 31, 2025.

The Company's major customers are consumer goods and food customers, and the major customers are all leading enterprises in the industry or market segments, with stable cooperation relationships with us for a period of over 7 years, among which we maintained cooperation with the largest customer for over 20 years. The credit terms given to major customers are 30-90 days by telegraphic transfer. Such credit terms are basically consistent with the terms obtained by other customers. Major customers currently still make payments as agreed in the contracts, and there have been no signs of performance risk from our customers. The Company has made provision for bad debts in accordance with the unified accounting policies. The Company's operating results may experience performance fluctuations due to the market environment of major customers. In recent years, the Company has actively explored the market, developed new customers, constantly increased the market share of food packaging products, and reduced the proportion of revenue from major customers.

As at the date of this report, as far as the Directors were aware of, none of the Directors, their close associates, or any shareholder of our Company had any interest in the aforementioned customers or suppliers of our Company.

### TAX RELIEF AND EXEMPTION

Our Company is not aware of any tax relief and exemption available to the Shareholders due to their holding of our Company's securities.

### OTHER BORROWINGS

Details of the other borrowings of the Group as at December 31, 2025 are set out in note 29 to the consolidated financial statements of this report.

### CONNECTED TRANSACTIONS

Details of the Group's related-party transactions during the Reporting Period are set out in Note 40 to the consolidated financial statements of this annual report. For the year ended December 31, 2025, there was no related party transaction or continuing related party transaction set out in Note 40 to the consolidated financial statements which constitutes disclosable connected transaction or disclosable continuing connected transaction under the Listing Rules. In respect of the connected transactions and the continuing connected transactions, our Company has complied with the disclosure requirements under the Listing Rules during the reporting period.



## DIRECTORS' REPORT

### DIRECTORS

The Directors of our Company during the year and up to the date of this annual report were as follows:

#### Executive Directors

Ms. ZHUANG Hao (莊浩) (Chairwoman)

Mr. ZHANG Heping (張和平) (General Manager)

Mr. ZHUANG Shu (莊澍) (Deputy General Manager)

Mr. LU Tashan (陸它山) (Vice Chairman, Deputy General Manager, and Joint Company Secretary)

Mr. WANG Yapeng (王亞朋) (resigned on November 21, 2025)

#### Employee Representative Director

Ms. BAI Xueting (白雪婷) (appointed on October 27, 2025)

#### Non-executive Director

Mr. LIAO Shengxing (廖生興) (Non-Executive Director) (resigned on November 21, 2025)

#### Independent Non-executive Director

Dr. ZHANG Guoqing (張國清)

Professor Alfred SIT Wing Hang (薛永恒)

Mr. TANG Yi Hoi (鄧以海) (appointed on November 21, 2025)

Mr. CAI Qinghui (蔡慶輝) (appointed on November 21, 2025)

Mr. YANG Chenhui (楊晨暉) (Independent Non-executive Director) (resigned on November 21, 2025)

Mr. HAN Jianshu (韓建書) (Independent Non-executive Director) (resigned on November 21, 2025)

Ms. NG Weng Sin (吳永蓓) (Independent Non-executive Director) (resigned on November 21, 2025)

Mr. TANG Yi Hoi and Mr. CAI Qinghui, who were appointed as independent non-executive Directors on November 21, 2025, and Ms. BAI Xueting, who was appointed as employee representative Director on October 27, 2025, has obtained the legal opinion mentioned in article 3.09D of the Listing Rules, and Mr. TANG and Mr. CAI have confirmed their understanding of their responsibilities as a Director.

### CHANGES OF DIRECTOR'S INFORMATION

Due to other work commitment and having considered the contributions required to perform duties to our Company, Mr. WANG Yapeng, previous executive Director, Mr. LIAO Shengxing, previous non-executive Director, and Dr. YANG Chenhui, Mr. HAN Jianshu, and Ms. NG Weng Sin, previous independent non-executive Directors, has not offered themselves for re-election as the Directors at the EGM of our Company held on November 21, 2025. They confirmed that there is no disagreement with the Board and there is no other matter in relation to their retirement other than the information disclosed therein which needs to be brought to the attention of the Shareholders.

Following the resolution of the Shareholders dated November 21, 2025, the members of the sixth session of the Board comprises: Ms. ZHUANG Hao, Mr. ZHANG Heping, Mr. ZHUANG Shu, and Mr. LU Tashan as executive Directors, Ms. BAI Xueting as employee representative Director, and Dr. ZHANG Guoqing, Professor Alfred SIT Wing Hang, Mr. TANG Yi Hoi, and Mr. CAI Qinghui as independent non-executive Directors. For more details of the re-election of the Board and the composition of each of the special committees of the sixth session of the Board, please refer to this annual report and the announcement of our Company dated November 21, 2025.



## DIRECTORS' REPORT

Following the resolution of the Board dated March 31, 2026, Ms. ZHUANG Hao, an executive Director, resigned from the position of general manager of our Company due to work adjustment, and our Company appointed Mr. ZHANG Heping, an executive Director, to serve as the general manager of our Company. Mr. ZHANG Heping, an executive Director, resigned from the position of vice chairman of the sixth session of the Board of our Company due to work adjustment, and our Company elected Mr. LU Tashan as the vice chairman of the sixth session of the Board of our Company. The aforementioned term of office shall be from the date of consideration and approval by the Board until the date of expiry of the term of the sixth session of the Board. For more details, please refer to the announcement of our Company dated March 31, 2026.

After making specific enquiry by our Company and confirmed by the Directors, save as disclosed in this annual report, there is no change to any information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Listing Date and up to the date of this annual report.

### PERMITTED INDEMNITY PROVISION

Directors shall be indemnified and secured harmless out of the assets of our Company from and against all actions, costs, losses, damages and expenses which any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices. During the year, our Company arranged appropriate directors' liability insurance for its Directors and senior management to cover their responsibilities arising from the legal actions against the Directors and senior management in relation to corporate activities.

### DIRECTORS' SERVICE CONTRACTS

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The Board will determine the remuneration of each of the Directors with reference to factors including their duties and responsibilities with our Company, their experience and the current market situations.

During the year, no Director entered into a service agreement with our Company which was not terminable by our Company within one year without payment of compensation (other than statutory compensation).

During the year, no consideration was provided to or receivable by third party for making available the service of director or in any other capacity while director.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended December 31, 2025 was our Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, our Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of our Company or any other body corporate, or had exercised any such right.



## DIRECTORS' REPORT

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, as at December 31, 2025, none of the Directors or their respective associates had interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

In addition, during the Reporting Period, none of the Directors or entities connected with the Directors had material interests, either directly or indirectly in transactions, arrangement or contracts to which our Company, any of its subsidiaries was a party, and of significance to the business of the Group.

### INTERESTS OF THE SINGLE LARGEST GROUP OF SHAREHOLDERS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No contracts of significance (including contracts of significance for the provision of services) between our Company (or any of its subsidiaries) and the single largest group of Shareholders (or any of its subsidiaries) subsisted at the end of the year or at any time during the year ended 31 December 2025.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration of Directors and senior management is proposed by the Remuneration and Appraisal Committee based on the position, duties, academic qualifications, working experience, work performance, performance of duties and appraisals with reference to the remuneration of similar position in the same region, in the same industry or competitors. The remuneration of Directors is subject to the approval by the Shareholders' general meeting while the remuneration of the senior management is subject to the approval by the Board.

Details of remuneration of Directors and senior management of the Group for the year ended December 31, 2025 are set forth in notes 9 to the consolidated financial statements of the Group.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As at the date of this report, our Company has received from each of the independent non-executive Director in writing a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Our Company considers all independent non-executive Directors to be independent.

## DIRECTORS' REPORT

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as of December 31, 2025, none of the other Directors or chief executive of our Company had an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or any interests and/or short positions (as applicable) in the Shares, underlying Shares or debentures of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) had to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

Name of Director or chief executive	Nature of Interests	Number of Shares or securities held <sup>(4)</sup>	Approximate percentage in total share capital of our Company <sup>(5)</sup>	Percentage in equity interests of the relevant class of Shares of our Company <sup>(5)</sup>
Ms. Zhuang Hao <sup>(1)</sup>	Beneficial interest	69,623,082(L)	15.46%	18.20%
	Interest of person acting in concert <sup>(2)</sup>	48,376,553(L)	10.74%	12.65%
Mr. Zhuang Shu <sup>(1)</sup>	Beneficial interest	34,671,025(L)	7.70%	9.06%
	Interest of person acting in concert <sup>(2)</sup>	83,328,610(L)	18.50%	21.79%
Mr. Zhang Heping <sup>(1)</sup>	Beneficial interest	6,236,125(L)	1.38%	1.63%
	Interest of person acting in concert <sup>(2)</sup>	111,763,510(L)	24.81%	29.22%
Mr. Lu Tashan <sup>(1)</sup>	Beneficial interest	568,750(L) <sup>(3)</sup>	0.13%	0.15%
	Interest of person acting in concert <sup>(2)</sup>	117,430,885(L)	26.07%	30.70%
Mr. Wang Yapeng <sup>(6)</sup>	Beneficial interest	9,139,900(L)	2.03%	2.39%



## DIRECTORS' REPORT

### Notes:

- (1) Each of the individual is an executive Director.
- (2) Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Lu Tashan and Tibet Yongyue are parties acting in concert and are our Single Largest Group of Shareholders.

On February 5, 2024, Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping, Mr. Lu Tashan and Tibet Yongyue executed an agreement (the "**Concert Parties Agreement**"). Pursuant to the Concert Parties Agreement, all members of the Single Largest Group of Shareholders agreed that they shall act in concert in respect of each of the members of our Group. Pursuant to the Concert Parties Agreement, it was confirmed that each of Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping and Tibet Yongyue had acted in accordance with Ms. Zhuang Hao's instructions prior to the date of the Concert Parties Agreement and from when they each held voting rights at the meetings of the Shareholders. Furthermore, Ms. Zhuang Hao, Mr. Zhuang Shu, Ms. He Jingying, Mr. Zhang Heping Tibet Yongyue and Mr. Lu Tashan have undertaken to act in concert directly or indirectly through the companies controlled by them. They have also agreed to, among others, (i) vote unanimously at all meetings of the shareholders of each member of our Group (for the avoidance of doubt, it shall not be a breach of the Concert Parties Agreement if a party to the Concert Parties Agreement fails to cast a vote at all at a meeting of the shareholders due to the absence of that party), (ii) discuss and reach consensus with each other before proposing to such meetings, and act in concert in respect of the business operations, governance and other key matters of our Group which shall be decided by the shareholders of each of the members of the Group. In the event that consensus cannot be reached, Ms. Zhuang Hao's view shall prevail and the Single Largest Group of Shareholders shall reflect her view in their decisions in such meetings accordingly.

- (3) The relevant Shares held by Mr. Lu Tashan consisted of 568,750 restricted A Shares granted under the 2023 Restricted Share Incentive Plan. Mr. Lu Tashan was previously granted an additional 306,250 A Shares under the 2023 Restricted Share Incentive Plan which were released from lock-up in accordance with the relevant release mechanism on October 23, 2024. However, as a result of the performance targets for 2024 set forth in the 2023 Restrictive Share Incentive Plan not being met, the 306,250 A Shares granted has been repurchased and cancelled by our Company subsequently.
- (4) The letter (L) denotes the long positions in the A Shares.
- (5) The calculation is based on the total number of 450,405,288 Shares, comprising 382,495,288 A Shares (including 10,076,400 treasury A shares) and 67,910,000 H Shares, in issue as at December 31, 2025.
- (6) Mr. Wang Yapeng resigned as an executive Director on November 21, 2025 upon the expiration of his term of office.

## DIRECTORS' REPORT

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OUR COMPANY

As of December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of our Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by our Company pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of Interests	Number of Shares or securities held <sup>(2)</sup>	Approximate percentage in total share capital of our Company <sup>(5)</sup>	Percentage in equity interests of the relevant class of Shares of our Company <sup>(5)</sup>
Ms. He Jingying	Beneficial interest	6,638,925(L)	1.47%	1.74%
	Interest of person acting in concert <sup>(1)</sup>	111,360,710(L)	24.72%	29.11%
Mr. Lu Tashan	Beneficial interest	568,750(L) <sup>(3)</sup>	0.13%	0.15%
	Interest of person acting in concert <sup>(1)</sup>	117,430,885(L)	26.07%	30.70%
Mr. Zhuang Zhenhai	Interest of controlled corporation	261,728(L)	0.06%	0.07%
	Interest of person acting in concert <sup>(1)</sup>	117,737,907(L)	26.14%	30.78%
Zhang Heping	Beneficial interest	6,236,125(L)	1.38%	1.63%
	Interest of person acting in concert <sup>(1)</sup>	111,763,510(L)	24.81%	29.22%
Zhuang Hao	Beneficial interest	69,623,082(L)	15.46%	18.20%
	Interest of person acting in concert <sup>(1)</sup>	48,376,553(L)	10.74%	12.65%
Zhuang Shu	Beneficial interest	34,671,025(L)	7.70%	9.06%
	Interest of person acting in concert <sup>(1)</sup>	83,328,610(L)	18.50%	21.79%
Tibet Yongyue	Beneficial owner	261,728(L)	0.06%	0.07%
	Interest of person acting in concert <sup>(1)</sup>	117,737,907(L)	26.14%	30.78%



## DIRECTORS' REPORT

Note:

- (1) For details of the concert party arrangements, please refer to note (2) of the section headed "Corporate Governance and Other Information – Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of our Company or any of its Associated Corporations" of this report.
- (2) All Shares are A Shares.
- (3) The relevant Shares held by Mr. Lu Tashan consisted of 568,750 restricted A Shares granted under the 2023 Restricted Share Incentive Plan. Mr. Lu Tashan was previously granted an additional 306,250 A Shares under the 2023 Restricted Share Incentive Plan which were released from lock-up in accordance with the relevant release mechanism on October 23, 2024. However, as a result of the performance targets for 2024 set forth in the 2023 Restrictive Share Incentive Plan not being met, the 306,250 A Shares granted has been repurchased and cancelled by our Company subsequently.
- (4) The letter (L) denotes the long positions in the Shares.
- (5) The calculation is based on the total number of 450,405,288 Shares, comprising 382,495,288 A Shares (including 10,076,400 treasury A shares) and 67,910,000 H Shares, in issue as at December 31, 2025.

Save as disclosed above, as at the date of this annual report, the Directors were not aware of any other persons (who were not Directors or chief executives of our Company) who had an interest or short position in any Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by our Company pursuant to Section 336 of the SFO.

## PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

On July 7, 2025, our Company had convened the first extraordinary general meeting of 2025 (the "**2025 First EGM**"), during which a special resolution in relation to the repurchase and cancellation of certain restricted A Shares (the "**Repurchase and Cancellation**") granted to certain participants in accordance with the provisions of the 2023 Restricted Share Incentive Plan was passed and approved. For details, please refer to the circular of our Company dated June 21, 2025 and the announcement of our Company relating to the poll results of the 2025 First EGM dated July 8, 2025. Upon completion of the Repurchase and Cancellation, the number of restricted Shares granted but not yet released from lock-up will be adjusted from 4,134,000 Shares to 1,860,000 Shares, and our Company's total issued A-share capital will be reduced from 384,769,288 Shares to 382,495,288 Shares. On September 27, our Company has completed the Repurchase and Cancellation in relation to a total of 2,274,000 restricted A Shares with a repurchase price of RMB8.8120 per Share. The total number of A Shares following the completion of the Repurchase and Cancellation was 382,495,288 A Shares. For details, please refer to the announcement of our Company dated September 27, 2025.

As of December 31, 2025, our Company held 10,076,400 treasury Shares (A Shares). Subsequent to the Repurchase and Cancellation, as of the date of this report, our Company held 10,076,400 treasury Shares (A Shares).

### **Completion of Sale and Termination of the Third Phase of the Employee Stock Ownership Plan on July 10, 2025**

Our Company held the 35th meeting of the fourth session of the Board and the 2022 third extraordinary general meeting on October 8, 2022 and October 25, 2022, respectively, at which relevant resolutions including the Resolution on the Third Phase of the Employee Stock Ownership Plan (Draft) of Xiamen Jihong Co., Ltd and its Summary, the Resolution on Administrative Measures for the Phase III Employee Stock Ownership Plan of Xiamen Jihong Co., Ltd, and the Resolution on Requesting the General Meeting to Authorize the Board to Handle Matters Related to the Employee Stock Ownership Plan were considered and approved.

The source of Shares under the Employee Stock Ownership Plan is 6,075,307 Shares of our Company repurchased by our Company during the period from November 10, 2020 to August 27, 2021, with the validity period of 48 months commencing from the date on which the underlying Shares in our Company's specialized repurchase account are transferred to the Employee Stock Ownership Plan, and shall be unlocked in three tranches. The unlocking timing shall be 12 months, 24 months, and 36 months from the date on which the underlying Shares in our Company's specialized repurchase account are transferred to the Employee Stock Ownership Plan. The proportion of underlying Shares to be unlocked in each tranche is 35%, 35%, and 30%, respectively, and the unlocking proportion and quantity for each tranche shall be determined based on our Company's performance indicators.

Our Company convened the 29th meeting of the fifth session of the Board on June 20, 2025, at which the Resolution on the Failure to Achieve the Performance Appraisal Indicator for the Third Unlocking Period of the Third Phase of the Employee Stock Ownership Plan of our Company was considered and approved. In view of the failure to achieve the performance appraisal indicator for the third locking period of the Employee Stock Ownership Plan, the underlying 1,822,707 Shares corresponding to the remaining unlocked portion shall not be unlocked, and shall be sold by the Management Committee of the Employee Stock Ownership Plan at an appropriate time after 12 months from the date on which the underlying Shares in our Company's specialized repurchase account are transferred to the Employee Stock Ownership Plan. The proceeds shall be returned to the holders based on the principle of the lower of the actual sale amount and the original contribution amount of the holders. Should any surplus remain after such return to the holders, such surplus shall be retained by our Company.

On July 10, 2025, the underlying 1,822,707 Shares corresponding to the remaining unlocked portion under the Employee Stock Ownership Plan were all sold through centralized bidding, representing 0.4737% of the then total A-share capital of 384,769,288 Shares of our Company.

### **Share Repurchase on July 19, 2025**

Our Company held the 23rd meeting of the fifth session of the Board on November 4, 2024, at which the Resolution on Repurchasing our Company's Shares was considered and approved. It was agreed that our Company would utilize dedicated loan funds, self-owned funds or self-raised funds of not less than RMB60 million and not more than RMB100 million to repurchase a portion of the RMB-denominated ordinary Shares (A Shares) issued by our Company through centralized bidding transactions in the secondary market for the subsequent implementation of employee stock ownership plans, equity incentive plans or conversion of convertible corporate bonds. The repurchase price shall not exceed RMB18.20 per Share, and the repurchase period shall be no more than 12 months from the date of consideration and approval of the repurchase plan by the Board.



## DIRECTORS' REPORT

Our Company implemented the equity distribution plan for the first three quarters of 2024 on December 16, 2024. Pursuant to the provisions of the Repurchase Report of Xiamen Jihong Co., Ltd, the maximum price under the repurchase plan was adjusted from not exceeding RMB18.20 per Share to not exceeding RMB18.02 per Share from the ex-rights and ex-dividend date of December 17, 2024.

Our Company implemented the 2024 annual equity distribution plan on May 21, 2025. The maximum price under the repurchase plan was adjusted from not exceeding RMB18.02 per Share to not exceeding RMB17.86 per Share from the ex-rights and ex-dividend date of May 22, 2025.

On February 24, 2025, our Company repurchased 132,100 Shares of our Company for the first time through the repurchase specialized securities account by way of centralized bidding transactions, representing 0.0343% of our Company's current total share capital of 384,769,288 Shares. The highest transaction price was RMB13.79 per Share and the lowest transaction price was RMB13.72 per Share, with a total transaction amount of RMB1,817,047 (excluding transaction costs).

As of July 18, 2025, our Company has cumulatively repurchased 4,050,700 Shares of our Company through the repurchase specialized securities account by way of centralized bidding transactions, representing 1.0528% of our Company's then total A-share capital of 384,769,288 Shares. The highest transaction price was RMB15.69 per Share and the lowest transaction price was RMB10.99 per Share, with a total transaction amount of RMB61,120,182.34 (excluding transaction costs). The total amount of repurchase funds has exceeded the lower limit of the total amount of repurchase funds in the repurchase plan and has not exceeded the upper limit of the total amount of repurchase funds. The implementation of the repurchase plan has been completed.

Save as disclosed above, our Company and its subsidiaries did not repurchase, redeem or sell any listed securities (including treasury shares) of our Company during the Reporting Period.

For monthly breakdown of repurchased shares, please refer to note 33 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There is no provision under the Articles and the PRC laws regarding pre-emptive rights that requires our Company to offer new Shares to its existing Shareholders on a pro-rata basis.

## 2023 RESTRICTED SHARE INCENTIVE PLAN

Our Company adopted the 2023 Restricted Share Incentive Plan, which was of a one-off nature and did not involve any option over the Shares of our Company. The terms of the 2023 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as there are no outstanding shares under the 2023 Restricted Share Incentive Plan and no further shares or options will be granted by our Company. Given that all the underlying restricted A Shares had already been granted in 2023, there will not be any dilution effect to the issued Shares under the 2023 Restricted Share Incentive Plan. No further awards will be granted.

The purpose of the 2023 Restricted Share Incentive Plan was to attract, retain and motivate the talents of our Company, and to align the interest of our Company and our personnel.



## DIRECTORS' REPORT

Eligible participants of the 2023 Restricted Share Incentive Plan include the Directors, management members and other employees of our Company. Independent Directors and Supervisors of our Company, Shareholders or ultimate controllers who then individually or collectively held more than 5% of our Company's A Shares, their spouses, parents and children were not eligible.

Under the 2023 Restricted Share Incentive Plan, 6,600,000 restricted A shares of our Company (constituting 1.74% of the total registered share capital of our Company at the time of grant) were available and were granted on September 25, 2023 and were listed on the SZSE on October 27, 2023. The grant price was RMB9.51 per restricted A Share. Upon grant of the restricted A Shares, Mr. Lu Tashan (an executive Director), Mr. Wang Yapeng (the then chairman of the Board and a then executive Director) and Mr. Wu Minggui (the finance director) were granted 875,000 restricted A Shares, 400,000 restricted A Shares and 50,000 restricted A Shares, respectively. The other 200 management members and employees of our Company were granted 5,275,000 restricted A Shares in total. As at the date of this annual report, there was no outstanding shares under the 2023 Restricted Share Incentive Plan.

The grantees of the restricted A Shares under the 2023 Restricted Share Incentive Plan are subject to lock-up periods which will be released in the following manner (together the "**2023 Release Mechanism**"):

- (a) 35% of the restricted A Shares are allowed to be sold only between (i) the first trading day of SZSE 12 months after the registration completion date of the restricted A Shares, being October 23, 2023 (the "**Registration Completion Date**") and (ii) the last trading day of SZSE within 24 months from the Registration Completion Date (both trading days inclusive);
- (b) 35% of the restricted A Shares are allowed to be sold only between (i) the first trading day of SZSE 24 months after the Registration Completion Date and (ii) the last trading day of SZSE within 36 months from the Registration Completion Date (both trading days inclusive); and
- (c) the remaining 30% of the restricted A Shares are allowed to be sold only between (i) the first trading day of SZSE 36 months after the Registration Completion Date and (ii) the last trading day of SZSE within 48 months from the Registration Completion Date (both trading days inclusive).

The 2023 Release Mechanism and the extent of permitted disposal of the restricted A Shares are subject to performance targets including (i) the profit growth targets of 10.0%, 21.0% and 33.1% as compared to the year ended 31 December 2022 in cross-border e-commerce business of our Company for each of the years ended 31 December 2023, 2024 and 2025, respectively and (ii) performance assessment of each grantee, whereby the portion of shares permitted to be sold (i.e. 100.0%, 80.0%, 60.0% and 0.0%) by a grantee in each unlocking period is adjusted based on a clawback mechanism depending on the performance bracket (i.e. excellent, good, satisfactory and unsatisfactory) in which such grantee is assessed to belong for that unlocking period.

The 2023 Restricted Share Incentive Plan does not stipulate: (i) the maximum entitlement of each participant under the plan; (ii) the amount (if any) on application or acceptance of the restricted A shares and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and (iii) the basis of determining the purchase price of restricted A Shares granted (if any). The Board would consider, resolve for and approve the relevant particulars in accordance with the terms of the 2023 Restricted Share Incentive Plan.



## DIRECTORS' REPORT

### 2022 EMPLOYEE SHARE OWNERSHIP PLAN

Our Company adopted the 2022 Employee Share Ownership Plan on October 10, 2022. The terms of the 2022 Employee Share Ownership Plan are not subject to the provisions of Chapter 17 of the Listing Rules as there are no outstanding shares under the 2022 Employee Share Ownership Plan and no further shares or options will be granted by our Company. Given that all the underlying restricted A Shares had already been granted in 2022, there will not be any dilution effect to the issued Shares under the 2022 Employee Share Ownership Plan. No further awards will be granted.

The purpose of the 2022 Employee Share Ownership Plan was to attract, retain and motivate the talents of our Company, and to align the interest of our Company and our personnel.

Eligible participants of the 2022 Employee Share Ownership Plan include the management members and other employees of our Company. Under the 2022 Employee Share Ownership Plan, 6,075,307 restricted A Shares of our Company (constituting 1.61% of the total registered share capital of our Company at the time of grant and representing approximately 1.35% of the total number of shares of our Company at the date of this annual report), which were repurchased by our Company during November 10, 2020 to August 27, 2021, were available and were granted and transferred to a single securities account opened in the name of the 2022 Employee Share Ownership Plan on November 22, 2022 (the “**Transfer Completion Date**”). The grant price was RMB6.5 per restricted A Share. Upon grant of the restricted A Shares, Mr. Wu Minggui (the finance director) and Ms. Gong Hongying (director of three subsidiaries of our Company and a supervisor of six subsidiaries of our Company) were granted 80,000 restricted A Shares and 100,000 restricted A Shares, respectively. The other 169 management members and employees of our Company were granted 5,895,307 restricted A Shares in total. The terms and conditions of the 2022 Employee Share Ownership Plan provide that, among other things, the participating employees will be entitled to only the economic rights attached to such Shares whereas the power of dealing of such Shares (including the exercise of voting rights attached to such Shares) will be delegated to a committee, as elected by and among the participating employees. The committee comprised of Ms. Guo Weiwei (郭維維), Ms. Xu Wenxiu (許文秀) and Ms. Gong Hongying, all of whom were employees of our Company, and they collectively controlled and exercised the power of dealing in the Shares granted under the 2022 Employee Share Ownership Plan. A decision is taken at a meeting of the committee by a majority of the votes of the committee members. As of the date of this annual report, a total of 3,949,007 Shares were held in the name of the 2022 Employee Share Ownership Plan and there was no outstanding shares to be granted under the 2022 Employee Share Ownership Plan. Due to the failure to meet the performance assessment indicators for the third phase, all remaining shares under the 2022 Employee Share Ownership Plan have been sold, and returned to the holders based on the principle of the lower of the actual sale amount and the original contribution amount of the holders. For details, please refer to the “Announcement on the Completion of Sale and Termination of the Third Phase Employee Share Ownership Plan” disclosed by our Company on July 10, 2025.

The 2022 Employee Share Ownership Plan does not stipulate: (i) the maximum entitlement of each participant under the plan; (ii) the amount (if any) on application or acceptance of the restricted A shares and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and (iii) the basis of determining the purchase price of restricted A Shares granted (if any). The Board would consider, resolve for and approve the relevant particulars in accordance with the terms of the 2022 Employee Share Ownership Plan.



## DIRECTORS' REPORT

The grantees of the restricted A Shares under the 2022 Employee Share Ownership Plan are subject to lock-up periods which will be released in the following manner (together the “**2022 Release Mechanism**”):

- (a) 35% of the restricted A Shares are allowed to be sold upon 12 months after the Transfer Completion Date;
- (b) a further 35% of the restricted A Shares are allowed to be sold upon 24 months after the Transfer Completion Date; and
- (c) the remaining 30% of the restricted A Shares are allowed to be sold only upon 36 months after the Transfer Completion Date.

The 2022 Release Mechanism and the extent of permitted disposal of the restricted A Shares are subject to satisfaction of the profit growth targets in cross-border e-commerce business of our Company.

### 2023 SHARE REPURCHASE PLAN

On August 30, 2023, our Board of Directors resolved a plan to repurchase, in the next 12 months, A shares from the secondary market using our internal capital, with a total budget between RMB40 million to RMB60 million and a target price of not more than RMB25.00 per A Share (the “**2023 Share Repurchase Plan**”), for the purpose of granting such repurchased A Shares under any future employee incentive plan or restricted share incentive plan. On February 5, 2024, after considering our future prospects, financial condition and the interest of our Shareholders, our Board of Directors resolved to increase the total budget of the 2023 Share Repurchase Plan for the repurchase of A Shares from the secondary market from between RMB40 million and RMB60 million, to between RMB60 million and RMB120 million. Other terms of the 2023 Share Repurchase Plan remain unchanged.

Any future employee incentive plan or restricted share incentive plan to be established in connection with the 2023 Share Repurchase Plan will not have any dilutive effect to the interests held by the Shareholders. Such future employee incentive plan or restricted share incentive plan and the terms thereof shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

All such repurchased A Shares have been held in a single securities account opened for the purpose of the 2023 Share Repurchase Plan. The 2023 Share Repurchase Plan was completed on August 30, 2024, and as at the date of its completion, 6,025,700 A Shares were repurchased and held in such relevant account, representing approximately 1.57% of our Shares.

### 2024 SHARE REPURCHASE PLAN

On November 4, 2024, our Board of Directors resolved a plan to repurchase, in the next 12 months, A shares from the secondary market using our internal capital, with a total budget between RMB60 million to RMB100 million and a target price of not more than RMB18.20 per A Share (revised on December 16, 2025 to RMB18.02 per A Share with effect from December 17, 2024, and further revised to RMB17.86 per A Share on May 21, 2025 with effect from May 22, 2025) (the “**2024 Share Repurchase Plan**”), for the purpose of granting such repurchased A Shares under any future employee incentive plan or restricted share incentive plan.

Any future employee incentive plan or restricted share incentive plan to be established in connection with the 2024 Share Repurchase Plan will not have any dilutive effect to the interests held by the Shareholders. Such future employee incentive plan or restricted share incentive plan and the terms thereof shall comply with the relevant provisions of Chapter 17 of the Listing Rules.



## DIRECTORS' REPORT

All such repurchased A Shares have been and will be held in a single securities account opened for the purpose of the 2024 Share Repurchase Plan. As at the date of this annual report, 4,050,700 A Shares were repurchased and held in such relevant account, representing approximately 0.90% of our Shares.

As of the date of this annual report, our Company has no outstanding future employee incentive plan or restricted share incentive plan that may be subject to the provisions of Chapter 17 of the Listing Rules.

## ADMINISTRATION CONTRACTS

During the Reporting Period, our Company did not enter into any contracts in respect of management and administration work in relation to its entire or any significant parts of business.

## DONATIONS

For the year ended December 31, 2025, the total charitable donations and other donations of the Group amounted to RMB2,776,700 (2024: RMB31,300).

## RETIREMENT AND BENEFITS

Details of the retirement and employees benefit scheme of our Company are set forth in note 7 to the consolidated financial statements.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals in the Group are set out in note 9 and 10 to the consolidated financial statements on pages 129-134 of this report.

The emolument policy of the employees of the Group is set up by the Remuneration and Appraisal Committee on the basis of their merit, qualifications and competence. The emoluments of the directors of our Company are decided by the Remuneration and Appraisal Committee, having regard to our Company's operating results, individual performance and comparable market statistics.

For more details of the long term incentive schemes of our Company, please see "2022 Employee Share Ownership Plan", "2023 Share Repurchase Plan" and "2024 Share Repurchase Plan".

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in our Company issuing shares or that requires our Company to enter into any agreements that will or may result in our Company issuing shares was entered into by our Company, or subsisting during the year ended December 31, 2025.



## DIRECTORS' REPORT

### LOAN AND GUARANTEE

As of December 31, 2025, we have not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of our Company, the controlling shareholders of our Company (if any) or their respective connected persons.

### PRINCIPAL SUBSIDIARIES

Details of our Company's principal subsidiaries are set out in Note 1 to the consolidated financial statements.

### EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by our Company or by the Group after the Reporting Period and up to the date of this annual report.

### REVIEW OF ANNUAL RESULTS

The accounting principles and practices adopted by the Group and the audited consolidated financial statements for the year ended December 31, 2025 have been jointly reviewed by the Audit Committee together with the management and the external auditor of our Company. Ernst & Young has reviewed the accompanying financial statements, which have been prepared in accordance with IFRS Accounting Standards.

By order of the Board

**Xiamen Jihong Co., Ltd**

**ZHUANG Hao**

*Executive Director and Chairwoman*

March 31, 2026



# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of our Company for the year ended December 31, 2025.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the code provisions as set out in part 2 of the CG Code as its own code to govern its corporate governance practices.

To the best knowledge of the Directors, our Company had complied with all the code provisions set out in part 2 of the CG Code during the Reporting Period.

## MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during the year ended December 31, 2025.

## BOARD OF DIRECTORS

### Functions and Powers of the Board

The Board is the decision-making body of our Company and shall be accountable to the Shareholders' general meeting. The Board exercises the following functions and powers:

- (1) To convene the Shareholders' general meeting and report on work to the Shareholders' general meeting;
- (2) Implement the resolutions of the Shareholders' general meeting;
- (3) Determine the business and investment plans of our Company;
- (4) Devise the earnings distribution and loss offset plans of our Company;
- (5) Formulate the plans for increasing or decreasing our Company's registered capital, the issuance of bonds or other securities, as well as the listing of the stock of our Company;
- (6) Formulate plans for major acquisitions of our Company, the buy-back of shares of our Company, corporate merger, separation, dissolution and changing the form of our Company;



## CORPORATE GOVERNANCE REPORT

- (7) Determine such matters as our Company's external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope authorized by the Shareholders' general meeting;
- (8) Decide on the setup of our Company's internal management organization;
- (9) To decide on matters such as appointment or dismissal of our Company's general manager, secretary to the Board and other senior officers and on their compensation and incentives/disincentives; to decide on matters such as appointment or dismissal of our Company's deputy general manager, chief financial officer and senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;
- (10) Set the basic management systems of our Company;
- (11) Make the modification plan to the Articles of Association;
- (12) Manage the disclosure of company information.
- (13) Request to the Shareholders' general meeting to hire or replace the accounting firm auditing for our Company.
- (14) Attend to the work report of our Company's general manager and review the work of the general manager.
- (15) Subject to compliance with the provisions of the securities regulatory rules of the place where our Company's shares are listed, decide on matters such as the buy-back of shares of our Company under the circumstances as set out in items (3), (5) and (6) of Article 25 of the Articles of Association;
- (16) Other powers and duties authorized by the laws, administrative regulations, departmental rules, the Articles or the Shareholders' general meeting.

### Composition of the Board

The Board currently consists of nine Directors, among which, four are executive Directors, one is an employee representative Director, and four are independent non-executive Directors. Details are as follows:

#### Executive Directors

Mr. WANG Yapeng (王亞朋) (resigned on November 21, 2025)

Ms. ZHUANG Hao (莊浩) (Chairwoman)

Mr. ZHANG Heping (張和平) (General Manager)

Mr. ZHUANG Shu (莊澍) (Deputy General Manager)

Mr. LU Tashan (陸它山) (Vice Chairman, Deputy General Manager, and Joint Company Secretary)



## CORPORATE GOVERNANCE REPORT

### **Non-executive Director**

Mr. LIAO Shengxing (廖生興) (resigned on November 21, 2025)

### **Employee Representative Director**

Ms. BAI Xueting (白雪婷) (appointed on October 27, 2025)

### **Independent Non-executive Director**

Dr. ZHANG Guoqing (張國清)

Dr. YANG Chenhui (楊晨暉) (resigned on November 21, 2025)

Professor Alfred SIT Wing Hang (薛永恒)

Mr. HAN Jianshu (韓建書) (resigned on November 21, 2025)

Ms. NG Weng Sin (吳永蓓) (resigned on November 21, 2025)

Mr. TANG Yi Hoi (鄧以海) (appointed on November 21, 2025)

Mr. CAI Qinghui (蔡慶輝) (appointed on November 21, 2025)

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” in this report.

Except as disclosed in the biographies of Directors set out in the section headed “Directors and Senior Management” in this report, no Director has any personal relationship (including finance, business, family or other significant/related relationships) with other Directors or senior management.

## **Responsibilities**

The Board is the primary decision-making body of our Company. The Board and the management of our Company are charged with promoting the success of our Company by directing and supervising its affairs. All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of our Company and may, upon request, seek independent professional advice in appropriate circumstances, at our Company’s expenses for discharging their duties to our Company.

The Board regularly reviews the contribution from each Director in performing his/her responsibilities to our Company and whether he/she has sufficient time and attention to our Company’s affairs. The issuer shall conduct a formal assessment of the Board’s performance at least once every two years. The Company has conducted a Board performance review. For more details, please refer to the circular of the Company dated March 31, 2026, which include, among other things, the work report of the Board for the year 2025. The Board has general powers for the management and conduct of our Company’s business, in particular, decision in all major matters relating to policy, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of our Company. The day-to-day operations and management are delegated by the Board to the management of our Company, who will implement the strategy and direction as determined by the Board.



## CORPORATE GOVERNANCE REPORT

### Directors' and Officers' Liabilities Insurance

Our Company has arranged for appropriate insurance cover for Directors' liabilities in respect of legal actions that may be brought against the Directors.

### Appointment and Re-election of Directors

Code Provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each of the Directors is appointed under a service agreement or a letter of appointment for a term of three years. For more details, please refer to the paragraph headed "Directors' Service Contracts" in the Directors' report in this annual report.

Directors shall be elected or replaced at the Shareholders' general meeting and may be removed at the Shareholders' general meeting prior to the expiration of their term of office. Directors' term of office shall be three years and they are eligible for re-election upon expiration of their term of office pursuant to the securities regulatory rules of the place where the shares of our Company are listed. The term of office of the Directors shall be counted from the date of appointment until the expiration of the term of the current Board. When the Directors' term expires and re-election is not held in time, the original Directors shall still perform their duties as Directors in accordance with laws, administrative regulations, departmental rules and the Articles before the re-elected Directors take office.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles. The Nomination Committee is responsible for making recommendations to the Board on the appointment and re-appointment of Directors.

Save as disclosed above, our Company did not sign any relevant unexpired service contract which is not determinable within a year without payment of any compensation, other than statutory compensation.

### Continuous Professional Development of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of our Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the Reporting Period, all Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations during their term as Director. All Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary. All Directors are encouraged to attend relevant training courses at our Company's expenses and required to submit a signed training records to our Company on an annual basis. During the Reporting Period, all Directors have participated in continuous professional development as required by Rules 3.09F, 3.09G, and 3.09H (as applicable) of the Listing Rules.



## CORPORATE GOVERNANCE REPORT

### Meetings of the Board

Code Provision C.5.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

During the year, there were seven Board meetings held, at which the Directors approved, among other things, the interim results and interim report of the Group for the six months ended 30 June 2025.

Our Company adopts the practice of holding Board meetings on regular and ad hoc basis where practicable. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board meetings and Board committee meetings, reasonable notice is generally given by our Company.

The agenda and accompanying Board papers are dispatched to the Directors or committee members at least three days before the Board meetings or Board committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the Board meetings or Board committee meetings.

When Directors or Board committee members are unable to attend a meeting, they are advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the meeting prior to the meeting. Minutes of meetings are kept by the company secretary of our Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors or dissenting views expressed (if any). Draft and final versions of minutes of each Board meeting and Board committee meeting are sent to the Directors for comments and record within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by the Directors.

## CORPORATE GOVERNANCE REPORT

Number of meeting(s) attended/number of meeting(s) held during the year is set out in the below table:

Name of Director	General meeting <sup>1</sup>	Board <sup>1</sup>	Audit and Appraisal Committee <sup>1</sup>	Remuneration and Appraisal Committee <sup>1</sup>	Strategy Committee <sup>1</sup>	Nomination Committee <sup>1</sup>	Strategy Committee
<b>Executive Directors</b>							
Ms. ZHUANG Hao	4	7	-	-	2	-	2
Mr. ZHANG Heping	4	7	-	-	-	1	-
Mr. ZHUANG Shu	4	7	-	2	-	-	-
Mr. LU Tashan	4	7	-	-	-	-	-
<b>Employee Representative Director</b>							
Ms. BAI Xueting	0	1	-	-	-	-	-
<b>Independent Non-executive Director</b>							
Dr. ZHANG Guoqing	4	7	6	2	-	-	-
Professor Alfred SIT Wing Hang	4	7	-	-	-	1	-
Mr. TANG Yi Hoi <sup>(Note)</sup>	0	1	-	-	-	-	-
Mr. CAI Qinghui <sup>(Note)</sup>	0	1	-	-	-	-	-
<b>Executive Director(s) (resigned)</b>							
Mr. Wang Yapeng	4	6	-	-	2	-	2
<b>Director(s) (resigned)</b>							
Mr. LIAO Shengxing	4	6	-	-	-	-	-
<b>Independent Non-executive Director(s) (resigned)</b>							
Mr. HAN Jianshu	4	6	-	-	2	-	2
Mr. YANG Chenhui	4	6	6	-	-	1	-
Ms. NG Weng Sin	4	6	6	2	-	-	-

Note:

(1) The attendance of the Directors refers to the number of meetings held during their respective tenure.



# CORPORATE GOVERNANCE REPORT

## Board Independence

Our Company recognises that Board independence is key to good corporate governance. Our Company has put in place effective mechanisms that underpin an independent Board and ensure that independent views are available to the Board. The independent non-executive Directors currently make up more than one-third of the Board and all the members of the Audit Committee are Independent non-executive Directors, which are in full compliance with the independence requirements under the Listing Rules. Each of the Remuneration and Appraisal Committee and Audit Committee is chaired by independent non-executive Directors. The remuneration of independent non-executive Directors is subject to regular review to maintain competitiveness and to ensure that it is commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his appointment and annually.

The Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

Our Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and, where necessary, in a confidential manner.

During the year ended December 31, 2025, our Company at all times fulfilled the requirement of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board and should not be less than three, and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has made an annual confirmation of independence in writing pursuant to Rule 3.13 of the Listing Rules and the Board is satisfied that all the independent non-executive Directors have been independent and met the independence guidelines set out in Rule 3.13 of the Listing Rules during the year ended December 31, 2025.

## BOARD COMMITTEES

Our Company has established four Board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of our Company's affairs. Each of the Board committees operates under defined written terms of reference. The terms of reference of the Board committees are available on the websites of our Company and the Stock Exchange.

### Audit Committee

We have established our Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Currently, the Audit Committee consists of three independent non-executive Directors, namely Mr. ZHANG Guoqing, Mr. TANG Yihoi, and Mr. CAI Qinghui. Mr. ZHANG Guoqing is the chairman of the Audit Committee.

## CORPORATE GOVERNANCE REPORT

During the year ended December 31, 2025, two Audit Committee meetings were held at which the Audit Committee, among other things, the Audit Committee had (i) reviewed the interim financial statements of our Company for the period ended June 30, 2025; (ii) reviewed the internal control and risk management system of the Group; and (iii) reviewed the interim results of the Group for the period ended June 30, 2025. The Audit Committee has also reviewed the effectiveness of the Group's internal audit function.

During the audit period of the 2025 annual report, the Audit Committee had two meetings with Ernst & Young, the current independent auditor of our Company, to review the audit plan and strategy for the year ended December 31, 2025 and review the audited consolidated financial statements of our Company for the year ended December 31, 2025. There was no disagreement between the Board's and the Audit Committee's views on the selection, appointment and resignation of the external auditor.

### Remuneration and Appraisal Committee

We established our Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration and Appraisal Committee are mainly to evaluate the performance of our Directors and Senior Management and make recommendation to the Board on the remuneration package of our Directors and members of our Senior Management.

Currently, the Remuneration and Appraisal Committee consists of two independent non-executive Directors, namely Mr. TANG Yihoi and Dr. ZHANG Guoqing, and one executive Director, namely Mr. ZHUANG Shu. Mr. TANG Yihoi is the chairman of the Remuneration and Appraisal Committee.

During the year ended December 31, 2025, one Remuneration and Appraisal Committee meeting was held at which the Remuneration and Appraisal Committee mainly reviewed the remuneration policy for Directors and Senior Management, the remuneration of Directors and the remuneration of new Directors of our Company, and assessed the performance of the executive Directors.

Details of the remuneration of the Directors for the year ended December 31, 2025 are set out in Note 9 of the Notes to the consolidated financial statements in this report.

The annual remuneration of the senior management of the Group by band for the year ended December 31, 2025 is set out below:

### Remuneration of the Senior Management

	Number of Senior Management
HK\$1 – HK\$500,000	0
HK\$500,000 – HK\$1,000,000	2



## CORPORATE GOVERNANCE REPORT

Save as disclosed in this annual report, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group; (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals during the year ended December 31, 2025 for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group; and (iii) none of our Directors waived any emoluments during the same period.

Further to the above, no Director or none of the five highest paid individuals has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for service rendered by him in connection with the promotion or formation of us save as disclosed in this report.

### Nomination Committee

We have established our Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties of the Nomination Committee are mainly to make recommendations to our Board on the appointment of our Directors and members of our Senior Management.

Currently, the Nomination Committee consists of two independent non-executive Directors, namely Mr. CAI Qinghui and Professor Alfred SIT Wing Hang, and one executive Director, namely Mr. ZHANG Heping. Mr. CAI Qinghui is the chairman of the Nomination Committee.

During the year, one Nomination Committee meeting was held to review the Board composition, assess the independence of independent non-executive Directors.

The Nomination Committee should also ensure that independent views and input are available to the board.

### Strategy Committee

We have established our Strategy Committee. The primary duties of the Strategy Committee are mainly to study and make recommendations on our Company's long-term development strategy, major investment decisions, as well as its risk control capabilities and value creation capacity in relation to ESG aspects. Currently, the Strategy Committee consists of two executive Directors, namely Ms. Zhuang Hao and Mr. Zhang Heping, and one non-executive independent Director, namely Professor Alfred SIT Wing Hang. Ms. Zhuang Hao is the chairman of the Strategy Committee.



## CORPORATE GOVERNANCE REPORT

During the year ended December 31, 2025, two Strategy Committee meeting were held, at which the Strategy Committee mainly considered and approved, among other things, the employee stock ownership plan and restricted stock incentive plan matters, the proposed amendments to the Articles of Association and certain corporate governance policies, as well as the adjustment to the number of Board members.

### **BOARD DIVERSITY POLICY**

Our Company understands and believes that the diversity of the Board has great benefit for the performance of our Company. Our Company considers enhancing diversity at the board level as a key element in supporting its achievement of strategic goals and sustainable development. During the Reporting Period, the Board has adopted a board diversity policy. The policy statement is as follows: To achieve sustainable and balanced development, our Company believes that diversity among Board members is beneficial to accomplishing its strategic objectives and can promote its sustainable development. The criteria adopted by the Nomination Committee to consider the suitability of relevant persons for Directorship include their qualifications, experience, professional skills and knowledge as well as the requirements of the Listing Rules. In assessing the composition of the Board, the Nomination Committee will consider all aspects and factors of diversity of members stipulated in the board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industrial and regional experience. The Nomination Committee shall fully consider the diversity of members before making recommendations to ensure that the Board will be composed of members with accounting or financial expertise, legal professional qualifications, financial investment experience or experience in industries related to our Company. The Nomination Committee shall identify suitable and qualified individuals for the election of Directors and select or make recommendations on the selection of candidates for nomination to the Board.

Measurable objectives: The Nomination Committee of the Board will select Director candidates based on objective criteria, including several diversity factors including but not limited to the candidates' skills, knowledge, experience, gender, age, culture, race, and educational background. Taking into account our Company's business characteristics and future development needs, nominated Director candidates shall comply with relevant laws, regulations, and the Articles of Association, ensuring they can engage in constructive discussions at Board meetings and enable the Board to make informed, prompt, and prudent decisions. The final selection of candidates will be determined based on their merits and the contributions they can bring to the Board.

As at December 31, 2025, the Board had two female members.

The Board considered that the aforementioned measurable goals have been achieved satisfactorily during the year ended December 31, 2025. The Nomination Committee has conducted an annual review of the board diversity policy and the Nomination Committee is satisfied with the implementation and effectiveness of the board diversity policy.

### **GENDER AND WORKFORCE DIVERSITY**

The gender ratio in the workforce (including senior management) for the Reporting Period is approximately 1:1. The total gender diversity of the Group is balanced and satisfied the requirement of employee gender diversity. The Group will continue to maintain the gender diversity in workforce. For further details of gender ratio and initiatives taken to improve gender diversity together with the relevant data, please refer to the disclosure in the "Environmental, Social and Governance Report" which is to be published on the same day with this annual report.



## CORPORATE GOVERNANCE REPORT

### NOMINATION POLICY

Our Company has adopted a director nomination policy (the “**Director Nomination Policy**”) in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of our Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of our Company’s business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Nomination Committee will recommend to the Board for the nomination, appointment of new Directors in accordance with the following procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate’s willingness to devote adequate time to the Board and independence of each independent non-executive directors based on the requirements of the Listing Rules as amended from time to time; and (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of our Company, with a view to achieving a sustainable and balanced development of our Company.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and service to our Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nomination Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection.

The Nominating Committee shall then make recommendations to the Board on the re-election of Directors. The Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board had reviewed:

- our Company’s policies and practices on corporate governance, compliance with legal and regulatory requirements;
- code of conduct and compliance manual applicable to employees and Directors;
- our Company’s compliance with the CG Code and disclosure in the Corporate Governance Report; and
- training and continuous professional development of Directors and senior management relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.



## CORPORATE GOVERNANCE REPORT

### AUDITOR'S REMUNERATION

Ernst & Young is appointed as the independent auditor of our Company. For the year ended December 31, 2025, the fees for the audit of the annual financial statements of the Group totalled RMB4,150,000 (excluding the out-of-pocket expenses on the audit service).

The fee charged by Ernst & Young in respect of the non-auditing services for the year ended December 31, 2025 was RMB234,500.

### DIRECTOR'S ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group and the results of its operations and cash flow during the Reporting Period. In preparing the consolidated financial statements for the year ended December 31, 2025, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. There are no material uncertainties relating to events or conditions that may cast significant doubt on our Company's ability to continue as a going concern. A statement from the independent auditors about its reporting responsibilities on the consolidated financial statements is set out on pages 75-77 of this annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group on an ongoing basis. The Board is of the opinion that sound internal control and risk management systems will contribute to the effectiveness and efficiency of the operations of the Group and to the safeguard of the Group's assets as well as the Shareholders' investment.

Our Company improves its business and operational activities by identifying the areas of significant business risk by means of a regular review and taking appropriate measures to control and mitigate these risks. The management of our Company implements, monitors and reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee on a timely basis to ensure prompt appropriate actions are taken.

The Group has set up an internal audit function. The Group is committed to maintaining and upholding good corporate governance practice and internal control systems. For the year ended December 31, 2025, the Board conducted an annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the extent and frequency of communication with the Board in relation to risk management and internal control review; the scope and quality of management's review on risk management (including ESG risks) and internal control systems; significant failures or weakness identified and their related implications; financial controls; and states of compliance with the Listing Rules. Taking into consideration the enhancement measures set out below, the Board considers the risk management and internal control systems effective and adequate. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Meanwhile, the legal, risk management, compliance and financial departments of our Company (the "**Internal Control Team**"), would carry out the internal audit function on an ongoing basis and assess all material aspects including legal risks, compliance control, operational control, internal supervision and risks evaluated on each center of the Group. The financial department and risk management department are also directly responsible to the Audit Committee and reports on the effectiveness of risk management and internal control.



## CORPORATE GOVERNANCE REPORT

To monitor the ongoing implementation of our internal control, we have adopted the following measures:

- the establishment of an Audit Committee responsible for overseeing our financial records, internal control procedures and risk management systems;
- the appointment of Mr. LU Tashan and Ms. TAM Wing Tsz as the joint company secretaries of our Company to ensure the compliance of our operation with relevant laws and regulations;
- the appointment of Fosun International Capital Limited as our compliance adviser upon the Listing to advise us on compliance with the Listing Rules; and
- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary.

### HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policy so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

### ANTI-CORRUPTION POLICY

Our Company does not tolerate any form of bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. Our Company adopts an anti-corruption policy in promoting and supporting anti corruption laws and regulations, as well as assisting its employees in recognising circumstances which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance if necessary.

The anti-corruption policy will be reviewed on a regular basis, and any convicted cases will be reported to the Audit Committee or the Board.



## CORPORATE GOVERNANCE REPORT

### WHISTLEBLOWING POLICY

Our Company expects and encourages employees of the Group and those who deal with the Group (e.g., suppliers, customers, creditors and debtors) to raise concerns to the Audit Committee, in confidence and anonymity, any suspected impropriety, misconduct or malpractice concerning the Group. Our Company adopts a whistleblowing policy that provide (i) reporting channels; (ii) guidance on reporting possible improprieties; and (iii) reassurances to whistleblowers of the protection that the Group will extend to them in the formal system.

The whistleblowing policy will be reviewed on a regular basis, and any suspected cases will be reported to the Audit Committee.

### JOINT COMPANY SECRETARIES

The joint company secretaries assist the Chairwoman in preparing the agenda of the Board meetings and ensures compliance with all applicable rules and regulations of the procedures of such meetings. The company secretary shall file for and maintain the detailed minutes of each Board meeting, and make such minutes available to all Directors for inspection.

In accordance with Rule 3.29 of the Listing Rules, each of the joint company secretaries of our Company received no less than 15 hours of relevant professional training for the year ended December 31, 2025.

Mr. Lu Tashan, an executive Director, the Vice Chairman, Deputy General Manager, and Joint Company Secretary, has been designated as the primary contact person at our Company which would work and communicate with Ms. TAM Wing Tsz on our Company's corporate governance and secretarial and administrative matters.

### SHAREHOLDER RIGHTS

Our Company's annual general meeting remains the principal forum for dialogue with the Shareholders. The Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. The Articles allows a Shareholder entitled to attend and vote at a meeting to appoint more than one proxy to attend and vote on behalf of the Shareholder and also provides that a proxy needs not be a Shareholder.

All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of our Company and the Stock Exchange after each Shareholders' meeting.

Pursuant to paragraph L(d) of Part 1 of the Code and Code provision F.1.1, during the Reporting Period, the Board has engaged in constructive engagement with Shareholders to understand their views on matters affecting our Company, including governance and performance against our Company's corporate strategy. The nature of Shareholders engagement comprised Shareholders' meetings, specific target surveys, results presentations and roadshows, covering our Company's institutional shareholders and minority shareholders. Our Company conducted interactions during the Reporting Period. Among them, the representatives of our Company, including the Chairman of the Board, independent non-executive Directors and senior management of our Company, participated in the interaction from time to time. Leveraging a diversified investor communication mechanism, our Company follows up on Shareholder engagement outcomes by conducting investor satisfaction surveys, compiling and analyzing Shareholder enquiries on a regular basis, and providing timely professional responses and clarifications.



## CORPORATE GOVERNANCE REPORT

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 52 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of our Company having the right to vote at general meetings. Such requisition shall be made in writing to the Board or the company secretary of our Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. The Board shall in accordance with the provisions of laws, administrative regulations and the Articles, provide written feedback on whether or not to convene the extraordinary general meeting within 10 days after receiving the request. Where the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board is made. If within 10 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requisitionist(s) by our Company. The said written requisitions can be addressed to the Board of our Company at No.9 Putou Road, Dongfu Industry Park II Haicang District Xiamen, Fujian Province PRC or in Hong Kong at Office 5, 15/F Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Hong Kong, or by mail to <http://www.jihong.cn/>.

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETING

Pursuant of the Article 59 of the Articles, the Shareholders individually or jointly holding one percent (1%) or more of our Company's shares may put forward an interim proposal and submit it in writing to the convener ten (10) days before the date of shareholders' general meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receiving the proposal, and announce the contents of the interim proposal, as well as submit the interim proposals to the Shareholders' general meeting for consideration, unless the interim proposals violate the laws, administrative regulations or provisions of the Articles, or do not fall within the scope of the functions and powers of the Shareholders' general meeting.



## CORPORATE GOVERNANCE REPORT

### PROCEDURES FOR PUTTING ENQUIRIES TO THE BOARD AND CONTACT DETAILS

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary or relevant personnel by mail to our Company's principal place of business in Hong Kong at Office 5, 15/F Bank of East Asia Harbour View Centre, No. 56 Gloucester Road, Hong Kong.

### INVESTOR RELATIONS

Our Company believes that effective communication with Shareholders is essential to the enhancement of investor relations and investors' understanding of the business, performance and strategy of our Company. Through enhancing information disclosure management and investor relationship management, optimising corporate governance structure and improving the operating system of Shareholders' general meetings, our Company has effectively safeguarded the rights of all Shareholders, especially the rights of small and medium investors. As such, communication and exchange between our Company and its Shareholders have been increased.

In order to facilitate effective communication, our Company has adopted a Shareholder communication policy which aims to establish and promote connection and communication between our Company and its Shareholders. Our Company has also put in place a company website (<http://www.jihong.cn/>), with a column on investor relations, where updates on its business operations and development, financial data, corporate governance practices and other information will be made available to the public. In 2025, our Company has reviewed the implementation of the shareholder communication policy and ensured its effectiveness.

### CONSTITUTIONAL DOCUMENTS

During the Reporting Period, our Company amended the Articles of Association twice: (i) the 2025 first extraordinary general meeting of our Company held on July 7, 2025 considered and passed the amendments to the Articles in relation to, among others, abolishment of the establishment of the supervisory board and replacement of it by the Audit Committee, and (ii) the 2025 third extraordinary general meeting of our Company held on November 21, 2025 considered and passed the amendments to the Articles in relation to, among others, the adjustment of the number of Board members. Please refer to the announcements of our Company dated June 21, 2025 and October 28, 2025 for details of the amendments.



# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Xiamen Jihong Co., Ltd

(Incorporated in the People's Republic of China with limited liability)

## OPINION

We have audited the consolidated financial statements of Xiamen Jihong Co., Ltd (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 78 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<i>Revenue recognition</i>	
<p>For the year ended 31 December 2025, the Group recognised revenue amounting to approximately RMB6,721 million in the consolidated financial statements. Revenue from cross-border social e-commerce operation, paper packaging operation and other operation amounting to approximately RMB4,373 million, RMB2,345 million and RMB3 million, respectively, representing approximately 65.06%, 34.89% and 0.05% of total revenue.</p> <p>As the inherent risk of misstatement in revenue recognition is high, including the significant risk arising from a huge volume of revenue transaction, we identified the revenue recognition as a key audit matter.</p> <p>The Group's accounting policies are disclosed in note 2.4 and details of the Group's revenue are disclosed in note 5 to the consolidated financial statements.</p>	<p>Our audit procedures to assess revenue recognition mainly included:</p> <ol style="list-style-type: none"> <li>1) Understanding, evaluating and testing the design and operating effectiveness of Group's internal controls, including IT system on the revenue recognition.</li> <li>2) Obtaining transaction ledger for the year to verify the consistency between the financial system data and the business system data for the cross-border social e-commerce operations.</li> <li>3) Performing analytical procedures on the Group's revenue and gross profit to identify and assess the existence of any unusual fluctuations.</li> <li>4) Performing tests of details by checking, on a sampling basis, the original supporting documents, such as sales agreements, sale orders, delivery notes and bank slips.</li> <li>5) Performing revenue cut-off procedures to evaluate whether the revenue was recorded in the appropriate accounting period.</li> <li>6) Performing confirmation procedures for balances to major customers of paper packaging operation.</li> <li>7) Performing data analytics procedures on cross-border social e-commerce operation, including analysing metrics such as addresses, timing of orders, average value, and repurchase rates to examine the existence of any unusual exceptions, and</li> <li>8) Reviewing the appropriateness of the corresponding disclosure in the financial statements.</li> </ol>



## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<i>Advertising expenses recognition</i>	
<p>For the year ended 31 December 2025, the selling and marketing expenses incurred by the Group amounting to approximately RMB2,376 million, of which advertising expenses were approximately RMB2,262 million, representing approximately 95.22% of the total selling and marketing expenses.</p> <p>The advertising expenses primarily related to online advertising for cross-border social e-commerce operation. Due to the significant amount and high inherent risk of advertising expenses, we identified the recognition of advertising expenses as a key audit matter.</p> <p>The Group's disclosures about advertising expenses are included in note 7 to the consolidated financial statements.</p>	<p>Our audit procedures to assess advertising expenses recognition mainly included:</p> <ol style="list-style-type: none"> <li>1) Understanding, evaluating and testing the design and operating effectiveness of internal controls over the recognition of advertising expenses.</li> <li>2) Performing analytical procedures on the Group's advertising expenses, including analysing the ratio of such expenses to cross-border social e-commerce revenue and comparing the ratio with prior periods.</li> <li>3) Performing cut-off procedures to evaluate whether the advertising expenses were recorded in the appropriate accounting period.</li> <li>4) Performing tests of details by checking, on a sampling basis, the original supporting documents, such as advertising agreements with advertising agencies, invoices, and reconciling with data from social platforms to verify the accuracy of advertising expense recognition.</li> <li>5) Performing confirmation procedures for transactions and balances to major advertising agencies; and</li> <li>6) Performing background research on major advertising agencies to assess the existence of any related party relationships with the Group.</li> </ol>



## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



## INDEPENDENT AUDITOR'S REPORT

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai (Practising certificate number: P06860).

*Ernst & Young*  
Certified Public Accountants  
Hong Kong  
31 March 2026



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	<b>6,721,612</b>	5,529,259
Cost of sales		<b>(3,579,014)</b>	(3,109,944)
<b>Gross profit</b>		<b>3,142,598</b>	2,419,315
Other income and gains	6	<b>68,431</b>	61,114
Selling and marketing expenses		<b>(2,375,772)</b>	(1,849,611)
Administrative expenses		<b>(273,382)</b>	(264,591)
Research and development expenses		<b>(136,105)</b>	(124,429)
Impairment losses on financial assets		<b>(5,861)</b>	(9,037)
Share of profits of associates		<b>4,057</b>	3,584
Foreign exchange losses, net		<b>(28,273)</b>	(3,512)
Finance costs	8	<b>(14,837)</b>	(12,250)
Other expenses and losses	6	<b>(5,768)</b>	(2,443)
<b>PROFIT BEFORE TAX</b>	7	<b>375,088</b>	218,140
Income tax expense	11	<b>(41,038)</b>	(33,690)
<b>PROFIT FOR THE YEAR</b>		<b>334,050</b>	184,450
Attributable to:			
Owners of the parent		<b>276,832</b>	181,931
Non-controlling interests		<b>57,218</b>	2,519
		<b>334,050</b>	184,450
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	13		
Basic (RMB)		<b>0.67</b>	0.49
Diluted (RMB)		<b>0.67</b>	0.49

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>334,050</b>	184,450
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(2,707)</b>	510
Share of other comprehensive income of associates	<b>(254)</b>	69
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<b>(2,961)</b>	579
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	<b>1,452</b>	(10,520)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<b>1,452</b>	(10,520)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>(1,509)</b>	(9,941)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>332,541</b>	174,509
Attributable to:		
Owners of the parent	<b>275,563</b>	171,928
Non-controlling interests	<b>56,978</b>	2,581
	<b>332,541</b>	174,509

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	<b>931,836</b>	930,436
Right-of-use assets	15	<b>188,062</b>	176,350
Goodwill	16	<b>9,585</b>	9,585
Other intangible assets	17	<b>17,121</b>	19,910
Investments in associates	18	<b>179,787</b>	107,477
Equity investments designated at fair value through other comprehensive income	19	<b>37,816</b>	8,254
Financial assets at fair value through profit or loss	20	<b>63,293</b>	130,863
Deferred tax assets	31	<b>9,962</b>	11,147
Pledged deposits	25	<b>1,722</b>	–
Time deposits	25	<b>119,046</b>	133,791
Other non-current assets	21	<b>35,538</b>	1,188
<b>Total non-current assets</b>		<b>1,593,768</b>	1,529,001
<b>CURRENT ASSETS</b>			
Inventories	22	<b>516,080</b>	447,889
Trade and bills receivables	23	<b>627,590</b>	553,885
Prepayments, other receivables and other assets	24	<b>140,628</b>	141,874
Amounts due from related parties	40	<b>75,239</b>	1,243
Pledged deposits	25	<b>32,206</b>	67,971
Time deposits	25	<b>106,777</b>	50,169
Cash and cash equivalents	25	<b>1,229,577</b>	711,062
<b>Total current assets</b>		<b>2,728,097</b>	1,974,093

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	26	695,533	716,560
Other payables and accruals	27	145,494	181,321
Contract liabilities	28	30,135	17,858
Interest-bearing bank borrowings	29	309,493	121,126
Lease liabilities	15	33,287	34,678
Tax payable		23,372	8,645
Amounts due to related parties	40	–	972
Other current liabilities		4,861	3,227
<b>Total current liabilities</b>		<b>1,242,175</b>	1,084,387
<b>NET CURRENT ASSETS</b>		<b>1,485,922</b>	889,706
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,079,690</b>	2,418,707
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings	29	238,553	127,067
Lease liabilities	15	55,244	49,465
Deferred income	30	32,052	30,945
Deferred tax liabilities	31	3,223	2,715
<b>Total non-current liabilities</b>		<b>329,072</b>	210,192
<b>NET ASSETS</b>		<b>2,750,618</b>	2,208,515
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	32	450,405	384,769
Reserves	33	2,247,909	1,817,255
		<b>2,698,314</b>	2,202,024
<b>Non-controlling interests</b>		<b>52,304</b>	6,491
<b>Total equity</b>		<b>2,750,618</b>	2,208,515

Hao Zhuang  
Director

Tashan Lu  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (note 32)	Treasury shares* RMB'000 (note 33)	Share premium* RMB'000 (note 33)	Share award reserve* RMB'000 (note 33)	Statutory reserve* RMB'000 (note 33)	Other comprehensive income* RMB'000 (note 33)	Retained profits* RMB'000 (note 33)		
At 1 January 2025	384,769	(136,164)	245,825	6,863	96,119	(20,849)	1,625,461	2,202,024	2,208,515
Profit for the year	-	-	-	-	-	-	276,832	276,832	334,050
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	1,452	-	1,452	1,452
Exchange differences on translation of foreign operations	-	-	-	-	-	(2,467)	-	(2,467)	(2,707)
Share of other comprehensive income of associates	-	-	-	-	-	(254)	-	(254)	(254)
Total comprehensive income for the year	(2,274)	21,466	(19,192)	-	-	(1,269)	276,832	275,563	332,541
Cancellation of shares repurchased	67,910	-	323,630	-	-	-	-	391,540	391,540
Issuance of H Shares	-	(871)	-	-	-	-	871	-	-
Forfeiture of restricted shares	-	11,847	-	-	-	-	-	29,589	29,589
Disposal of unvested restricted shares	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment expenses	-	-	3,455	(6,863)	-	-	-	(3,408)	(3,408)
Shares repurchased for Share Incentive Plans	-	(61,126)	-	-	-	-	-	(61,126)	(61,126)
Dividends declared	-	-	-	-	-	-	(137,995)	(137,995)	(149,342)
Appropriation of statutory reserve	-	-	-	-	23,305	-	(23,305)	-	-
Transfer of other comprehensive income	-	-	-	-	-	(706)	706	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	475
Share transaction with non-controlling interests	-	-	2,127	-	-	-	-	2,127	1,834
<b>At 31 December 2025</b>	<b>450,405</b>	<b>(164,848)</b>	<b>573,587</b>	<b>-</b>	<b>119,424</b>	<b>(22,824)</b>	<b>1,742,570</b>	<b>2,698,314</b>	<b>2,750,618</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent							Total equity RMB'000		
	Share capital RMB'000 (note 32)	Treasury shares* RMB'000 (note 33)	Share premium* RMB'000 (note 33)	Share award reserve* RMB'000 (note 33)	Statutory reserve* RMB'000 (note 33)	Other comprehensive income* RMB'000 (note 33)	Retained profits* RMB'000 (note 33)		Total RMB'000	Non-controlling interests RMB'000
At 1 January 2024	385,009	(72,854)	218,557	19,001	78,744	(14,120)	1,666,061	2,280,398	32,456	2,312,854
Profit for the year	-	-	-	-	-	-	181,931	181,931	2,519	184,450
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	(10,520)	-	(10,520)	-	(10,520)
Exchange differences on translation of foreign operations	-	-	-	-	-	448	-	448	62	510
Share of other comprehensive income of associates	-	-	-	-	-	69	-	69	-	69
Total comprehensive income for the year	(240)	2,282	(2,042)	-	-	(10,003)	181,931	171,928	2,581	174,509
Repurchase obligation for restricted shares	-	10,353	29,470	(29,470)	-	-	-	10,353	-	10,353
Equity-settled share-based payment expenses	-	-	-	17,332	-	-	-	17,332	-	17,332
Shares repurchased for Share Incentive Plans	-	(75,945)	-	-	-	-	-	(75,945)	-	(75,945)
Dividends declared	-	-	-	-	-	-	(201,882)	(201,882)	(1,316)	(203,198)
Acquisition of non-controlling interests	-	-	(484)	-	-	-	-	(484)	(8,516)	(9,000)
Capital reduction of non-controlling interests	-	-	-	-	-	-	-	-	(1,600)	(1,600)
Appropriation of statutory reserve	-	-	-	-	17,375	-	(17,375)	-	-	-
Transfer of other comprehensive income	-	-	-	-	-	3,274	(3,274)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	7,350	7,350
Disposal/deregistration of subsidiaries	-	-	-	-	-	-	-	-	(24,646)	(24,646)
Others	-	-	324	-	-	-	-	324	182	506
At 31 December 2024	384,769	(136,164)	245,825	6,863	96,119	(20,849)	1,625,461	2,202,024	6,491	2,208,515

\* These reserve accounts comprise the consolidated reserves of RMB2,247,909,000 and RMB1,817,255,000 in the consolidated statements of financial position as at the end of year, respectively.

# CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax:		<b>375,088</b>	218,140
Adjustments for:			
Finance costs	8	<b>14,837</b>	12,250
Share of profits of associates		<b>(4,057)</b>	(3,584)
Dividend received from an equity investment designated at fair value through other comprehensive income		<b>(60)</b>	(144)
Bank interest income	6	<b>(17,251)</b>	(13,087)
Gains on financial assets at fair value through profit or loss	6	<b>(15,847)</b>	(4,338)
Losses on disposal of items of property, plant and equipment	6	<b>638</b>	301
(Gains)/losses on early termination of leases	15	<b>(3,439)</b>	405
(Gains)/losses on disposal of subsidiaries	6	<b>(611)</b>	553
Investment gains from deregistration of subsidiaries, net	6	<b>–</b>	(1,249)
Fair value gains on financial assets at fair value through profit or loss	6	<b>(181)</b>	(88)
Losses/(gains) on disposal of associates, net	6	<b>1,393</b>	(619)
Losses on disposal of items of other intangible assets	6	<b>–</b>	1
Gains from foreign exchange forward arrangements	6	<b>(486)</b>	(221)
Depreciation of property, plant and equipment	14	<b>101,904</b>	105,736
Depreciation of right-of-use assets	15	<b>36,230</b>	36,532
Amortisation of other intangible assets	17	<b>3,187</b>	3,893
Downstream transaction elimination		<b>7,470</b>	–
Impairment of trade receivables		<b>3,845</b>	7,229
Impairment of deposits and other receivables		<b>2,016</b>	1,808
Impairment of property, plant and equipment	6	<b>592</b>	–
Impairment of inventories	22	<b>11,390</b>	9,539
Equity-settled share-based payment expenses		<b>(3,408)</b>	17,332
Foreign exchange differences, net		<b>28,273</b>	3,512
		<b>541,412</b>	393,901
Increase in inventories		<b>(79,581)</b>	(1,352)
Increase in trade and bills receivables		<b>(93,507)</b>	(81,539)
(Increase)/decrease in prepayments, other receivables and other assets		<b>(44,505)</b>	55,870
Decrease/(increase) in pledged deposits		<b>20,262</b>	(31,079)
(Increase)/decrease in amounts due from related parties		<b>(73,996)</b>	210
Decrease in amounts due to related parties		<b>(972)</b>	(392)
(Decrease)/increase in trade and bills payables		<b>(38,501)</b>	80,850
Increase in other payables and accruals		<b>21,850</b>	22,383
Increase in contract liabilities		<b>12,277</b>	3,029
Increase/(decrease) in other current liabilities		<b>1,634</b>	(436)
Increase/(decrease) in deferred income		<b>1,107</b>	(3,078)

## CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2025

<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
Cash generated from operations	<b>267,480</b>	438,367
Income tax paid	<b>(23,511)</b>	(64,776)
Interest received	<b>17,251</b>	13,087
<b>Net cash flows generated from operating activities</b>	<b>261,220</b>	386,678
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of items of property, plant and equipment	<b>(157,175)</b>	(132,689)
Proceeds from disposal of items of property, plant and equipment	<b>12,045</b>	5,055
Purchase of other intangible assets	<b>(3,228)</b>	(3,483)
Proceeds from disposal of items of other intangible assets	<b>90</b>	–
Purchase of items of land use rights	<b>(6,591)</b>	–
Proceeds from disposals of equity investments designated at fair value through other comprehensive income	<b>2,000</b>	726
Purchase of financial assets at fair value through profit or loss	<b>(63,293)</b>	(130,863)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>133,614</b>	–
Disposal of subsidiaries, net of cash disposed	<b>(1,777)</b>	(230)
Proceeds from disposal of associates	<b>19,182</b>	8,000
Dividend received from an associate	<b>1,850</b>	1,332
Dividend received from an equity investment designated at fair value through other comprehensive income	<b>60</b>	144
Purchases of equity investments designated at fair value through other comprehensive income	<b>(34,816)</b>	–
Purchase of deposits with original maturity of more than three months when acquired	<b>(770,711)</b>	(701,091)
Proceeds from maturity of deposits with original maturity of more than three months when acquired	<b>760,396</b>	646,099
Payment for capital injection to associates	<b>(98,903)</b>	(30,097)
<b>Net cash flows used in investing activities</b>	<b>(206,757)</b>	(337,097)



## CONSOLIDATED STATEMENT OF CASH FLOWS

31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Proceeds from capital contributions by non-controlling interests		<b>475</b>	7,350
Payments to non-controlling interests for capital reduction		–	(1,600)
Deregistration of a subsidiary, net of cash disposed		–	(21,447)
Proceeds from disposal partial equity interest of a subsidiary		<b>1,834</b>	–
Proceeds from disposal of unvested restricted shares under Share Incentive Plans		<b>30,210</b>	–
Repayments to grantees for unvested restricted shares under Share Incentive Plans		<b>(12,467)</b>	–
Issuance of H Shares		<b>478,380</b>	–
Repurchase of unvested restricted shares		<b>(20,039)</b>	(2,196)
Repurchase of shares		<b>(61,126)</b>	(75,945)
Proceeds from interest-bearing bank borrowings		<b>556,403</b>	185,757
Repayment of interest-bearing bank borrowings		<b>(256,658)</b>	(196,173)
Interest paid for interest-bearing bank borrowings		<b>(9,435)</b>	(6,091)
Principal portion of lease payments		<b>(33,524)</b>	(30,068)
Interest portion of lease payments		<b>(3,436)</b>	(4,850)
Acquisition of non-controlling interests		–	(9,000)
Listing expenses		<b>(44,619)</b>	(37,113)
Dividends paid		<b>(137,995)</b>	(201,882)
Dividends paid to non-controlling interests		<b>(11,347)</b>	(1,316)
Net cash flows from/(used) in financing activities		<b>476,656</b>	(394,574)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>531,119</b>	(344,993)
Cash and cash equivalents at beginning of year		<b>711,062</b>	1,062,110
Effect of foreign exchange rate changes, net		<b>(12,604)</b>	(6,055)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<i>25</i>	<b>1,229,577</b>	711,062

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

Xiamen Jihong Co., Ltd (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) as a limited liability company on 24 December 2003. The registered address of the office of the Company is No. 9 Putou Road, Phase II, Dongfu Industrial Zone, Haicang District, Xiamen, China. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Shenzhen Stock Exchange (stock code: 002803.SZ) on 12 July 2016. On 27 May 2025, the Company completed its initial public offering and was listed on the Hongkong stock exchange (stock code: 2603.HK). The Company is ultimately controlled by Ms. Zhuang Hao.

During the year, the Company and its subsidiaries (together as the “**Group**”) were principally involved in the business of paper packaging and cross-border social e-commerce.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hohhot Jihong Printing & Packaging Co., Ltd. (“呼和浩特市吉宏印刷包装有限公司”) (“Hohhot Jihong”)	PRC/Chinese mainland	RMB50,000,000	100%	–	Paper packaging
Langfang Jihong Packaging Co., Ltd. (“廊坊市吉宏包装有限公司”) (“Langfang Jihong”)	PRC/Chinese mainland	RMB50,000,000	100%	–	Paper packaging
Giikin (Xi’an) Digital Technology Co., Ltd. (“吉客印(西安)數字科技有限公司”) (“Xi’an Giikin”)	PRC/Chinese mainland	RMB10,000,000	–	100%	Cross-border social e-commerce
Lucky Ecommerce Limited (“香港吉客印電子商務有限公司”) (“Lucky Ecommerce”)	PRC/Chinese mainland	USD1,000,000	–	100%	Cross-border social e-commerce
Giikin (Zhengzhou) Digital Technology Co., Ltd. (“吉客印(鄭州)數字科技有限公司”) (“Zhengzhou Giikin”)	PRC/Chinese mainland	RMB5,000,000	–	100%	Cross-border social e-commerce
Ningxia Jihong Environmental Protection Packaging Technology Co., Ltd. (“寧夏吉宏環保包裝科技有限公司”) (“Ningxia Jihong”)	PRC/Chinese mainland	RMB50,000,000	100%	–	Paper packaging
Xiamen Jihong Packaging Industry Co., Ltd. (“廈門吉宏包裝工業有限公司”) (“Xiamen Jihong”)	PRC/Chinese mainland	RMB50,000,000	100%	–	Paper packaging

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE AND GROUP INFORMATION (Continued)

### Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
VStar Packaging (China) Limited ("孝感市吉聯食品包裝有限公司") ("Vstar Packaging")	PRC/Chinese mainland	RMB20,000,000	100%	–	Paper packaging
Xi'an Danjun Digital Technology Co., Ltd. ("西安丹駿數字科技有限公司") ("Xi'an Danjun")	PRC/Chinese mainland	RMB3,000,000	–	55%	Cross-border social e-commerce
Danjun Ecommerce Limited ("香港丹駿電子商務有限公司") ("Danjun Ecommerce")	PRC/Chinese mainland	USD50,000	–	55%	Cross-border social e-commerce
Giimall Cloud (Wuhan) Digital Technology Co., Ltd. ("吉喵雲(武漢)數字科技有限公司") ("Giimall Cloud (Wuhan)")	PRC/Chinese mainland	RMB5,000,000	–	40%	Cross-border social e-commerce
Giimall Cloud Technology Co., Limited ("香港吉喵雲科技有限公司") ("Giimall Cloud")	PRC/Chinese mainland	HKD3,000,000	–	40%	Cross-border social e-commerce
Hong Kong Vermilion Bird International Limited ("香港 朱雀國際有限公司") ("Vermilion Bird International")	PRC/Chinese mainland	HKD10,000	100%	–	Trading
Hong Kong Heracles Packaging CO., Limited ("香港赫克樂斯包裝有限公司") ("Hong Kong Heracles")	PRC/Chinese mainland	HKD20,000,000	–	60%	Trading

\* 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.

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

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for certain trade and bills receivables at fair value through other comprehensive income, financial assets at fair value through profit or loss and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The financial statements of the subsidiaries are prepared for the same reporting 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 are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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



# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

### 2.3 Issued but not yet Effective IFRS Accounting Standards

The Group has not adopted the following new and amended IFRS Accounting Standards that have been issued but are not yet effective in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.3 Issued but not yet Effective IFRS Accounting Standards (Continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.3 Issued but not yet Effective IFRS Accounting Standards (Continued)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.3 Issued but not yet Effective IFRS Accounting Standards (Continued)

*Annual Improvements to IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies

##### *Investments in associates*

An associate is an entity in which the Group has a long term interest of generally not necessary not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *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 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.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Business combinations and goodwill (Continued)***

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

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

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

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Fair value measurement (Continued)*

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

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

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

#### *Impairment of non-financial assets*

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories and deferred tax 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.

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 profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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



# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Related parties*

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

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

or

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

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *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.

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

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

<b>Category</b>	<b>Principal annual rates (%)</b>
Buildings	3.17-9.50
Leasehold improvements	8.33-50.00
Machinery	9.50-19.00
Motor vehicles	19.00
Other equipment	19.00

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 methods are reviewed, and adjusted if appropriate, at least at each financial year end.

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

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.



# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *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.

#### *Patents and licences*

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 20 years.

#### *Research and development costs*

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

#### *Software*

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 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.

The estimated useful life of other intangible assets is determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *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 recognised 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:

Properties	1 to 12 years
Land use rights	44 to 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.

#### (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 the 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.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Leases (Continued)*

###### *Group as a lessee (Continued)*

(b) Lease liabilities (Continued)

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.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

##### *Investments and other financial assets*

###### *Initial recognition and measurement*

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

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

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Investments and other financial assets (Continued)*

##### *Initial recognition and measurement (Continued)*

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

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

##### *Subsequent measurement*

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

##### *Financial assets at amortised cost (debt instruments)*

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

##### *Financial assets at fair value through other comprehensive income (debt instruments)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Investments and other financial assets (Continued)*

###### *Financial assets at fair value through other comprehensive income (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under 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 statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

###### *Financial assets at fair value through profit or loss*

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

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

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Derecognition of financial assets*

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

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

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

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

#### *Impairment of financial assets*

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Impairment of financial assets (Continued)*

###### *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 and contract assets 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                          |



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Impairment of financial assets (Continued)*

###### *Simplified approach*

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

##### *Financial liabilities*

###### *Initial recognition and measurement*

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

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

The Group's financial liabilities include trade and bills payables, other payables, interest-bearing bank borrowings and amounts due to related parties.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

###### *Subsequent measurement*

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Financial liabilities (Continued)***

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

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

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

##### ***Financial liability arising from repurchase obligation on own equity instruments***

The obligation for the Group to purchase its own equity instruments for cash is recognised initially at the present value of the redemption amount, and is reclassified from equity. Subsequently, the financial liability is measured in accordance with IFRS 9 and the remeasurement gain or loss is recorded into profit or loss.

##### ***Derecognition of financial liabilities***

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

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

##### ***Offsetting of financial instruments***

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of 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*

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

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

##### *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 reporting period 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 consolidated statement of profit or loss.

The periods and terms of product quality warranty are provided in accordance with the laws and regulations related to the products. The Group has not provided any additional services or product quality warranty, so the product quality warranty does not constitute a separate performance obligation.

##### *Income tax*

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

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Income tax (Continued)*

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

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

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

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

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

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

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

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Income tax (Continued)*

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.

#### *Treasury shares*

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### *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.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

#### *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.

Based on historical experiences, the Group estimates the amount of variable consideration including sales return using the expected value method. The amounts relating to the unconditional sales return are insignificant to the Group's total revenue for each of the periods presented.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Revenue recognition (Continued)***

###### *Revenue from contracts with customers (Continued)*

The Group primarily generates its revenue from the operations of cross border social e-commerce as well as production and sales of packaging products. Further details of the Group's revenue recognition policy are as follows:

(a) Cross border social e-commerce

Revenue from cross border social e-commerce is recognised at a point in time when control of the products is transferred to the customer, generally on delivery and acceptance of the products by the customers.

(b) Sale of packaging products

Revenue from the sale of packaging products is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the packaging products by the customers.

(c) Services

Revenue from services is recognised at the point in time, when the services are provided and accepted by customers.

###### *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.

Dividend income is recognised when the shareholders' right to receive 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.

##### ***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 services to the customer).

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 2. ACCOUNTING POLICIES (Continued)

### 2.4 Material Accounting Policies (Continued)

#### *Share-based payments*

The Company operates restricted share schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

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

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

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

Where an equity-settled award is cancelled, as at the cancellation date, based on the best estimate of the number of awards to be vested, any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### ***Employee benefits***

###### *Pension scheme*

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

###### *Housing fund and other social insurances*

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each period.

##### ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

##### ***Events after the reporting period***

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

##### ***Dividends***

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 2. ACCOUNTING POLICIES (Continued)

#### 2.4 Material Accounting Policies (Continued)

##### *Foreign currencies*

These financial statements are presented in RMB, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statements of profit or loss.

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

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

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements 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 to applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

#### ***Business models***

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group consider how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

#### ***Contractual cash flow characteristics***

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including the assessment of the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

#### ***Derecognition of financial assets***

Where the Group has transferred the right to receive cash flow arising from an asset but has not transferred or has retained substantially all risks and rewards associated with such asset, or has not transferred the controlling right in such asset, such asset shall be recognised and accounted for so long as the Group continues to be involved in such asset. If the Group has not transferred or has retained substantially all risks and rewards associated with the asset or transferred the controlling right in the asset, the exercise of significant judgment is often required, and estimations need to be made as to the extent of the Group's continued involvement in the asset.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty

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

#### *Provision for expected credit losses on trade and other receivables*

Except for certain trade and bills receivables, other receivables that the ECLs are individually assessed based on estimated cash flows, considering historical and forward-looking information, the Group uses a provision matrix to calculate ECLs for trade and bills receivables, other receivables. The provision rates based on ageing and client credit rating for groupings of various counterparties that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of an actual default in the future. The information about the ECLs on the Group's trade and bills receivables and other receivables are disclosed in note 23 and note 24 to the financial statements, respectively.

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



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### *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 apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2024 and 2025 were RMB9,585,000. Further details are given in note 16 to the financial statements.

##### *Fair value of investments*

The investments have been valued based on a market-based valuation technique as detailed in note 42 to the financial statements. The market method requires the Group to determine the comparable public companies (peers) and select the price multiple, or use recent financial price. The Group classifies the fair value of these investments as Level 3. The fair value of the investments at 31 December 2024 and 2025 were RMB8,254,000 and RMB101,109, respectively. Further details are included in note 19 and note 20 to the financial statements.

##### *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. The carrying values of deferred tax assets relating to recognised tax losses at 31 December 2024 and 2025 were nil. The amounts of unrecognised tax losses at 31 December 2024 and 2025 were RMB466,257,000 and RMB464,242,000, respectively. Further details are contained in note 31 to the financial statements.

##### *Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 3. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### *Recognition of share-based payment expenses*

The Group grants restricted shares to certain management and employees under Share Incentive Plans for incentives. The vest of restricted shares is conditional upon the satisfaction of specified vesting conditions, including service periods and/or performance conditions. Judgement is required to take into account the vesting conditions to determine the number of the restricted shares to be included in the measurement of equity-settled share-based payment expenses.

The cumulative expense recognised for share-based payments at the end of 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 restricted shares that will ultimately vest. The charge or credit to the consolidated 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.

##### *Write-down of inventories*

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed quarterly for write-down, if appropriate.

##### *Useful lives and residual values of items of property, plant and equipment*

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each of the years based on changes in circumstances. Further details of the property, plant and equipment are set out in note 14 to the financial statements.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (i) The cross-border social e-commerce operation;
- (ii) The paper packaging operation; and
- (iii) The other operations.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that impairment losses on financial assets is excluded from such measurement. Management also treat the Company as part of the paper packaging segment.

Segment assets exclude cash and cash equivalents, time deposits, pledged deposits, deferred tax assets, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2025	Cross-border social ecommerce RMB'000	Paper packaging RMB'000	Others RMB'000	Total RMB'000
<b>Segment revenue</b> (note 5)				
Sales to external customers	4,373,200	2,345,321	3,091	6,721,612
Intersegment sales	-	17	1,450	1,467
<b>Total segment revenue</b>	<b>4,373,200</b>	<b>2,345,338</b>	<b>4,541</b>	<b>6,723,079</b>
<i>Reconciliation:</i>				
Elimination of intersegment sales				(1,467)
Revenue from contracts with customers				6,721,612
<b>Segment results</b>	<b>173,236</b>	<b>454,041</b>	<b>153,673</b>	<b>780,950</b>
<i>Reconciliation:</i>				
Elimination of intersegment results**				(400,001)
Impairment losses on financial assets				(5,861)
Profit before tax				375,088
<b>Segment assets</b>	<b>952,100</b>	<b>2,339,094</b>	<b>102,274</b>	<b>3,393,468</b>
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(666,651)
Corporate and other unallocated assets				1,595,049
<b>Total assets</b>				<b>4,321,866</b>
<b>Segment liabilities</b>	<b>566,438</b>	<b>1,012,729</b>	<b>107,462</b>	<b>1,686,629</b>
<i>Reconciliation:</i>				
Elimination of intersegment payables				(666,651)
Corporate and other unallocated liabilities				551,270
<b>Total liabilities</b>				<b>1,571,248</b>
<b>Other segment information:</b>				
Share of (profits)/losses of associates	(1,420)	(2,713)	76	(4,057)
Impairment of inventories	9,714	1,676	-	11,390
Depreciation and amortisation	23,634	118,548	567	142,749
Investments in associates	32,260	145,424	2,103	179,787
Capital expenditure	8,679	125,073	19	133,771

\* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and assets from business combinations.

\*\* The elimination of segment results represented the dividends distributed by subsidiaries to direct holding companies, which are classified in different segments.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2024	Cross-border social ecommerce RMB'000	Paper packaging RMB'000	Others RMB'000	Total RMB'000
<b>Segment revenue (note 5)</b>				
Sales to external customers	3,365,903	2,099,461	63,895	5,529,259
Intersegment sales	635	6	1,478	2,119
<b>Total segment revenue</b>	<b>3,366,538</b>	<b>2,099,467</b>	<b>65,373</b>	<b>5,531,378</b>
<i>Reconciliation:</i>				
Elimination of intersegment sales				(2,119)
Revenue from contracts with customers				5,529,259
<b>Segment results</b>				
<i>Reconciliation:</i>				
Elimination of intersegment results**	118,721	361,028	(10,309)	469,440
Impairment losses on financial assets				(242,263)
				(9,037)
Profit before tax				218,140
<b>Segment assets</b>				
<i>Reconciliation:</i>				
Elimination of intersegment receivables	847,373	2,077,636	120,606	3,045,615
Corporate and other unallocated assets				(591,880)
				1,049,359
<b>Total assets</b>				<b>3,503,094</b>
<b>Segment liabilities</b>				
<i>Reconciliation:</i>				
Elimination of intersegment payables	504,672	971,640	159,309	1,635,621
Corporate and other unallocated liabilities				(591,880)
				250,908
<b>Total liabilities</b>				<b>1,294,649</b>
<b>Other segment information:</b>				
Share of profits of associates	(596)	(2,887)	(101)	(3,584)
Impairment of inventories	9,553	(379)	365	9,539
Depreciation and amortisation	24,248	120,753	1,160	146,161
Investments in associates	31,084	74,214	2,179	107,477
Capital expenditure	4,849	119,734	22	124,605

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 4. OPERATING SEGMENT INFORMATION (Continued)

#### Geographical information

##### (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	2,159,446	2,037,028
Other countries/regions	4,562,166	3,492,231
	<b>6,721,612</b>	5,529,259

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

##### (b) Non-current assets

Except for the private equity funds invested in Hong Kong, China by the Group (note 21), an equity investments designated at fair value through other comprehensive income invested in Hong Kong, China (note 19) and an associate invested in The United Arab Emirates (note 18), approximately all of the Group's non-current assets as at the end of each of the year were located in Chinese mainland.

##### *Information about major customers*

Revenue from continuing operations of approximately RMB915,954,000 (2024: RMB1,037,386,000) was derived from sales by the paper packaging segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 5. REVENUE

### Revenue from contracts with customers

#### (a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Cross-border social e-commerce RMB'000	Paper packaging RMB'000	Others RMB'000	Total RMB'000
<b>Types of goods or services</b>				
Cross-border social e-commerce	4,373,200	-	-	4,373,200
Paper packaging	-	2,345,321	-	2,345,321
Others	-	-	3,091	3,091
<b>Total</b>	<b>4,373,200</b>	<b>2,345,321</b>	<b>3,091</b>	<b>6,721,612</b>
<b>Geographical markets</b>				
Northeast Asia	2,169,570	22,296	-	2,191,866
Southeast Asia	642,488	-	-	642,488
Middle East	310,254	51,201	-	361,455
Chinese mainland	-	2,156,355	3,091	2,159,446
Europe and North America	1,197,846	10,520	-	1,208,366
Other countries/regions	53,042	104,949	-	157,991
<b>Total</b>	<b>4,373,200</b>	<b>2,345,321</b>	<b>3,091</b>	<b>6,721,612</b>
<b>Timing of revenue recognition</b>				
Transferred at a point in time	4,373,200	2,345,321	3,091	6,721,612
<b>Total</b>	<b>4,373,200</b>	<b>2,345,321</b>	<b>3,091</b>	<b>6,721,612</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Segments	Cross-border social e-commerce RMB'000	Paper packaging RMB'000	Others RMB'000	Total RMB'000
<b>Types of goods or services</b>				
Cross-border social e-commerce	3,365,903	–	–	3,365,903
Paper packaging	–	2,099,461	–	2,099,461
Others	–	–	63,895	63,895
<b>Total</b>	<b>3,365,903</b>	<b>2,099,461</b>	<b>63,895</b>	<b>5,529,259</b>
<b>Geographical markets</b>				
Northeast Asia	1,720,230	18,512	–	1,738,742
Southeast Asia	661,202	231	–	661,432
Middle East	340,289	1,488	–	341,777
Chinese mainland	–	1,973,133	63,895	2,037,028
Europe and North America	638,943	8,891	–	647,834
Other countries/regions	5,239	97,206	–	102,445
<b>Total</b>	<b>3,365,903</b>	<b>2,099,461</b>	<b>63,895</b>	<b>5,529,259</b>
<b>Timing of revenue recognition</b>				
Transferred at a point in time	3,365,903	2,099,461	63,895	5,529,259
<b>Total</b>	<b>3,365,903</b>	<b>2,099,461</b>	<b>63,895</b>	<b>5,529,259</b>



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 5. REVENUE (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Cross-border social e-commerce	14,758	659
Paper packaging	2,959	1,619
Others	141	12,551
	<b>17,858</b>	14,829

##### (b) Performance obligations

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

###### *Sale of products*

The performance obligation is satisfied upon the acceptance of the products by customers. For customers of paper packaging, the contract price is usually settled within 30-90 days of delivery. For customers of cross-border social e-commerce, the contract price is usually prepaid through online platforms or paid by cash on delivery, and the Group normally settles with platforms or logistics service providers within 3-15 days.

###### *Provision of services*

The performance obligation is satisfied at the point in time once the services are completed and accepted by customers based on the milestone achieved. Contract price is usually paid by customers within 30-90 days.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 6. OTHER INCOME AND GAINS, OTHER EXPENSES AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>		
Government grants	29,672	39,034
Bank interest income	17,251	13,087
<b>Total other income</b>	<b>46,923</b>	52,121
<b>Gains</b>		
Gains on early termination of leases	3,439	–
Gains on financial assets at fair value through profit or loss	15,958	4,338
Gains from foreign exchange forward arrangements	486	221
Gains on deregistration of a subsidiary	–	1,261
Fair value gains on financial assets at fair value through profit or loss	181	88
Gains on disposal of subsidiaries	611	–
Gains on disposal of an associate	–	646
Others	833	2,439
<b>Total gains</b>	<b>21,508</b>	8,993
<b>Other income and gains</b>	<b>68,431</b>	61,114
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other expenses and losses</b>		
Losses on early termination of leases	–	405
Losses on disposal of items of intangible assets	–	1
Losses on disposal of items of property, plant and equipment, net	638	301
Impairment of property, plant and equipment	592	–
Losses on disposal of associates	1,393	27
Investment loss from deregistration of subsidiaries	–	12
Losses on disposal of subsidiaries	–	553
Others	3,145	1,144
<b>Other expenses and losses</b>	<b>5,768</b>	2,443



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 7. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Cost of inventories sold and services provided*		<b>3,579,014</b>	3,109,944
Advertising expenses		<b>2,262,263</b>	1,761,136
Depreciation of property, plant and equipment	14	<b>101,904</b>	105,736
Depreciation of right-of-use assets	15(a)	<b>36,230</b>	36,532
Amortisation of other intangible assets	17	<b>3,187</b>	3,893
Lease payments not included in the measurement of lease liabilities	15(c)	<b>4,639</b>	4,110
Auditor's remuneration		<b>4,150</b>	2,737
Employee benefit expenses (including directors' and chief executive's and supervisor's remuneration as set out in note 9):			
Wages, salaries and allowances		<b>602,718</b>	564,816
Pension scheme contributions		<b>37,325</b>	35,000
Staff welfare expense		<b>20,549</b>	18,615
Equity-settled share-based payment expenses		<b>(3,408)</b>	17,332
Bank interest income	6	<b>(17,251)</b>	(13,087)
Finance costs	8	<b>14,837</b>	12,250
Foreign exchange losses, net		<b>28,273</b>	3,512
losses on disposal of items of property, plant and equipment, net	6	<b>638</b>	301
(Gains)/Losses on early termination of leases	6	<b>(3,439)</b>	405
Losses on disposal of items of other intangible assets	6	<b>–</b>	1
Gains from foreign exchange forward arrangements	6	<b>486</b>	(221)
Share of profits of associates		<b>(4,057)</b>	(3,584)
Impairment of trade and bills receivables		<b>3,845</b>	7,229
Government grants	6	<b>(29,672)</b>	(39,034)
Impairment of property, plant and equipment	6	<b>592</b>	–
Impairment of deposits and other receivables		<b>2,016</b>	1,808
Impairment of inventories	22	<b>11,390</b>	9,539

\* Cost of inventories sold and services provided include impairment of inventories, 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.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 8. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank borrowings	<b>9,543</b>	6,083
Interest on lease liabilities	<b>3,436</b>	4,850
Factoring charges (a)	<b>1,858</b>	1,317
	<b>14,837</b>	12,250

- (a) For certain trade receivables of Customer Group A, the Group entered into a factoring arrangement without recourse with a factoring company, which is also an affiliate of Customer Group A, and recorded relevant factoring charges in profit and loss.

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Fees	<b>813</b>	798
Other emoluments:		
Salaries, allowances and benefits in kind	<b>10,079</b>	9,163
Performance related bonuses	<b>4,054</b>	5,565
Equity-settled share-based payment expenses	<b>2,080</b>	3,368
Pension scheme contributions	<b>145</b>	143
Total	<b>17,171</b>	19,037



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (a) Independent non-executive directors

The fees paid/payable to independent non-executive directors during the year were as follows:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Yi Hoi Tang (xi)	<b>31</b>	–
Wing Hang Alfred Sit (ii)	<b>273</b>	251
Qinghui Cai (iii)	<b>13</b>	20
Guoqing Zhang	<b>120</b>	120
Jianshu Han (vi)	<b>107</b>	120
Chenhui Yang (vii)	<b>107</b>	120
Weng Sin Ng (viii)	<b>162</b>	167
Total	<b>813</b>	798

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### (b) Directors, supervisors and the chief executive

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonuses <i>RMB'000</i>	Restricted share awards <i>RMB'000</i>	Other share based payment <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
<b>2025</b>							
Chief executive:							
Hao Zhuang	-	2,378	-	-	-	-	2,378
Directors:							
Heping Zhang	-	1,960	-	-	-	19	1,979
Shu Zhuang	-	1,887	-	-	-	19	1,906
Tashan Lu (i)	-	1,038	30	(944)	-	8	132
Xueting Bai	-	258	20	-	-	8	286
Yapeng Wang (iv)	-	2,168	3,000	(431)	3,455	78	8,270
Shengxing Liao (v)	-	-	-	-	-	-	-
Independent directors:							
Yi Hoi Tang (xi)	31	-	-	-	-	-	31
Wing Hang Alfred Sit (ii)	273	-	-	-	-	-	273
Qinghui Cai (iii)	13	-	-	-	-	-	13
Guoqing Zhang	120	-	-	-	-	-	120
Jianshu Han (vi)	107	-	-	-	-	-	107
Chenhui Yang (vii)	107	-	-	-	-	-	107
Weng Sin Ng (viii)	162	-	-	-	-	-	162
Supervisors:							
Zhuokai He (ix)	-	116	4	-	-	5	125
Guanhong Hu (x)	-	274	1,000	-	-	8	1,282
	813	10,079	4,054	(1,375)	3,455	145	17,171

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Directors, supervisors and the chief executive (Continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Restricted share awards RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2024						
Chief executive:						
Hao Zhuang	-	2,315	-	-	-	2,315
Directors:						
Heping Zhang	-	1,649	-	-	19	1,668
Shu Zhuang	-	1,681	-	-	19	1,700
Yapeng Wang (iv)	-	1,894	4,621	1,057	73	7,645
Shengxing Liao (v)	-	-	-	-	-	-
Tashan Lu (i)	-	751	-	2,311	6	3,068
Independent directors:						
Qinghui Cai (iii)	20	-	-	-	-	20
Jianshu Han (vi)	120	-	-	-	-	120
Chenhui Yang (vii)	120	-	-	-	-	120
Guoqing Zhang	120	-	-	-	-	120
Wing Hang Alfred Sit (ii)	251	-	-	-	-	251
Weng Sin Ng (viii)	167	-	-	-	-	167
Supervisors:						
Xueting Bai	-	233	-	-	6	239
Zhuokai He (ix)	-	194	-	-	6	200
Guanhong Hu (x)	-	446	944	-	14	1,404
	798	9,163	5,565	3,368	143	19,037

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

#### (b) Directors, supervisors and the chief executive (Continued)

- i. Mr. Tashan Lu has been appointed as a director of the Company with effect from February 2024.
- ii. Mr. Wing Hang Alfred Sit has been appointed as an independent director of the Company with effect from February 2024, and re-designated as an independent director on November 2025.
- iii. Mr. Qinghui Cai has been appointed as an independent director of the Company with effect from November 2022 and retired in February 2024, and re-designated as an independent director on November 2025.
- iv. Mr. Yapeng Wang has been appointed as a director and vice chairman of the Board of Directors with effect from September 2020, and re-designated as a director and chairman of the Board of Directors on November 2022, and resigned on November 2025.
- v. Mr. Shengxing Liao has been appointed as a director of the Company with effect from November 2019 and resigned on November 2025.
- vi. Mr. Jianshu Han has been appointed as an independent director of the Company with effect from November 2022 and resigned on November 2025.
- vii. Mr. Chenhui Yang has been appointed as an independent director of the Company with effect from September 2020 and resigned on November 2025.
- viii. Ms. Weng Sin Ng has been appointed as an independent director of the Company with effect from February 2024 and resigned on November 2025.
- ix. Mr. Zhuokai He has been appointed as a supervisor of the Company with effect from November 2019 and resigned on July 2025.
- x. Mr. Guanhong Hu has been appointed as a supervisor of the Company with effect from November 2022 and resigned on July 2025.
- xi. Mr. Yi Hoi Tang has been appointed as an independent director of the Company with effect from November 2025.
- xii. Ms. Xueting Bai has been appointed as a supervisor of the Company with effect from November 2011 and resigned on July 2025, and appointed as a director on October 2025.

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

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 10. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group during the year included one director (2024: one director). Details of those directors' remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,671	1,697
Performance related bonuses	12,100	22,835
Equity-settled share-based payment expenses	(426)	1,130
Pension scheme contributions	130	77
Total	14,475	25,739

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

	Number of employees	
	2025	2024
HK\$3,500,001 to HK\$4,000,000	3	–
Over HK\$5,000,000	1	4
Total	4	4

### 11. INCOME TAX

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

#### 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 preferential tax as set out below.

Certain of the Group's PRC subsidiaries are accredited as High and New Technology Enterprises ("HNTE") and were therefore entitled to a preferential income tax rate of 15% during the year. Such qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Certain subsidiaries engaged in the "Encouraged Industries in the Western Region" are eligible for the preferential EIT rate of 15%.

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 11. INCOME TAX (Continued)

### PRC corporate income tax (Continued)

Two of the Group's PRC subsidiaries is qualified as a "Double Soft Enterprise" ("DSE") under the Corporate Income Tax Law during the year. According to the relevant tax regulations, the qualified subsidiary was exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2025, the first year of profitable operation.

Certain subsidiaries were qualified as small and micro enterprises and were eligible to calculate their taxable income at a reduced rate of 25% and pay corporate income tax at a 20% tax rate during 2024 and 2025, respectively.

### HK profit tax

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the reporting periods. However, one subsidiary of the Group which is qualifying corporation can elect for the two-tiered Profits Tax rates regime. Under the two-tiered Profits Tax rate regime, the first HK\$2,000,000 of assessable profits of the qualifying Group entity established in Hong Kong are taxed at 8.25% and the remaining profits are taxed at 16.5%.

Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
– Chinese mainland	<b>34,630</b>	31,171
– Hong Kong	<b>4,715</b>	2,468
Deferred tax ( <i>note 31</i> )	<b>1,693</b>	51
Total	<b>41,038</b>	33,690

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 11. INCOME TAX (Continued)

#### HK profit tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company is domiciled to the tax expense at the effective tax rates is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<b>375,088</b>	218,140
Tax at the PRC EIT rate of 25%	<b>93,772</b>	54,535
Effect of different tax rates	<b>(48,771)</b>	(26,276)
Adjustments in respect of current tax of previous years	<b>2,628</b>	1,508
Income not subject to tax	<b>(737)</b>	(960)
Expenses not deductible for tax	<b>2,231</b>	4,780
Utilisation of previously unrecognised tax losses	<b>(5,316)</b>	(3,072)
Tax losses and deductible temporary differences not recognized	<b>13,864</b>	18,738
Additional deductible allowance for research and development expenses and others (a)	<b>(16,633)</b>	(15,563)
	<b>41,038</b>	33,690

- (a) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim additional deduction of their research and development costs.

### 12. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends declared to owners of the parent	<b>137,995</b>	201,882

The dividends declared had been approved by the Company's shareholders meetings.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

#### (a) Basic

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year.

The following reflects the income and share data used in the basic earnings per share computation:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit attributable to ordinary equity holders of the parent	<b>276,832</b>	181,931
Less: dividends payable to expected vested restricted shares	–	1,030
Profit attributable to ordinary equity holders of the parent used in calculating basic EPS	<b>276,832</b>	180,901
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<b>411,349,732</b>	370,201,726
Basic EPS (RMB per share)	<b>0.67</b>	0.49

#### (b) Diluted

The restricted shares granted under Share Incentive Plans by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the vesting of all potential dilutive ordinary shares arising from Share Incentive Plans (collectively forming the denominator for computing the diluted EPS). For the year ended 31 December 2025 and 2024, there were no potential shares with dilutive effect.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit attributable to ordinary equity holders of the parent used in calculating diluted EPS	<b>276,832</b>	181,931
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<b>411,349,732</b>	370,201,726
Weighted average number of shares used in calculating diluted EPS	<b>411,349,732</b>	370,201,726
Diluted EPS (RMB per share)	<b>0.67</b>	0.49



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 14. PROPERTY AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	492,279	20,577	929,100	9,371	66,470	16,497	1,534,294
Accumulated depreciation and impairment	(135,489)	(14,442)	(405,636)	(6,235)	(41,220)	(836)	(603,858)
Net carrying amount	356,790	6,135	523,464	3,136	25,250	15,661	930,436
At 1 January 2025, net of accumulated depreciation and impairment	356,790	6,135	523,464	3,136	25,250	15,661	930,436
Additions	2,642	1,054	46,554	3,125	14,683	54,750	122,808
Depreciation provided during the year	(21,033)	(1,844)	(68,059)	(1,308)	(9,660)	-	(101,904)
Impairment	-	-	(592)	-	-	-	(592)
Disposals	-	-	(16,786)	(84)	(2,042)	-	(18,912)
Transfers	-	379	47,024	13	2,963	(50,379)	-
At 31 December 2025, net of accumulated depreciation and impairment	338,399	5,724	531,605	4,882	31,194	20,032	931,836
At 31 December 2025:							
Cost	494,921	22,010	907,708	10,758	74,560	20,868	1,530,825
Accumulated depreciation and impairment	(156,522)	(16,286)	(376,103)	(5,876)	(43,366)	(836)	(598,989)
Net carrying amount	338,399	5,724	531,605	4,882	31,194	20,032	931,836

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 14. PROPERTY AND EQUIPMENT (Continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Motor vehicles RMB'000	Other equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	483,941	19,297	846,631	8,395	63,026	15,135	1,436,425
Accumulated depreciation and impairment	(115,342)	(11,367)	(351,183)	(5,259)	(35,805)	(836)	(519,792)
Net carrying amount	368,599	7,930	495,448	3,136	27,221	14,299	916,633
At 1 January 2024, net of accumulated depreciation and impairment	368,599	7,930	495,448	3,136	27,221	14,299	916,633
Additions	9,727	1,280	42,571	180	7,891	63,246	124,895
Depreciation provided during the year	(21,363)	(3,075)	(70,516)	(1,082)	(9,700)	-	(105,736)
Disposals	(173)	-	(4,565)	(117)	(501)	-	(5,356)
Transfers	-	-	60,526	1,019	339	(61,884)	-
At 31 December 2024, net of accumulated depreciation and impairment	356,790	6,135	523,464	3,136	25,250	15,661	930,436
At 31 December 2024:							
Cost	492,279	20,577	929,100	9,371	66,470	16,497	1,534,294
Accumulated depreciation and impairment	(135,489)	(14,442)	(405,636)	(6,235)	(41,220)	(836)	(603,858)
Net carrying amount	356,790	6,135	523,464	3,136	25,250	15,661	930,436

At the end reporting period, certain of the Group's buildings were pledged to secure bank facilities granted to the Group for Interest-bearing bank borrowings (note 29).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 15. LEASES

#### The Group as a lessee

The Group has lease contracts for properties used in its operations. Lump sum payments were made upfront to acquire the land use rights with periods of 44 to 50 years, and no ongoing payments will be made under the terms of these land use rights. Leases of properties generally have lease terms between 1 to 12 years.

#### (a) *Right-of-use assets*

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

	Properties RMB'000	Land use rights RMB'000	Total RMB'000
As at 1 January 2024	93,548	93,913	187,461
Additions	34,440	–	34,440
Depreciation charges	(34,255)	(2,277)	(36,532)
Termination and modification	(9,019)	–	(9,019)
As at 31 December 2024 and 1 January 2025	84,714	91,636	176,350
Additions	<b>53,945</b>	<b>6,591</b>	<b>60,536</b>
Depreciation charge	<b>(33,721)</b>	<b>(2,509)</b>	<b>(36,230)</b>
Termination and modification	<b>(12,594)</b>	–	<b>(12,594)</b>
As at 31 December 2025	<b>92,344</b>	<b>95,718</b>	<b>188,062</b>

At the end reporting period, certain of the Group's right-of-use assets were pledged to secure bank facilities granted to the Group for Interest-bearing bank borrowings (note 29).

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 15. LEASES (Continued)

### The Group as a lessee (Continued)

#### (b) Lease liabilities

The carrying amount of lease liabilities (not included under interest-bearing bank borrowings) and the movements during the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	<b>84,143</b>	88,385
Additions	<b>53,945</b>	34,440
Accretion of interest recognised during the year	<b>3,436</b>	4,850
Payments	<b>(36,960)</b>	(34,918)
Termination and modification	<b>(16,033)</b>	(8,614)
At end of year	<b>88,531</b>	84,143
Analysed into:		
Current portion	<b>33,287</b>	34,678
Non-current portion	<b>55,244</b>	49,465

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	<b>3,436</b>	4,850
Depreciation charge of right-of-use assets	<b>36,230</b>	36,532
(Gains)/losses on early termination of leases	<b>(3,439)</b>	405
Expense relating to short-term leases	<b>4,639</b>	4,110
Total amount recognised in profit or loss	<b>40,866</b>	45,897



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 16. GOODWILL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year		
Cost	9,585	9,585
Net carrying amount	9,585	9,585
Cost at beginning of year, net of accumulated impairment	9,585	9,585
Cost and carrying amount at end of year	9,585	9,585
At end of year		
Cost	9,585	9,585
Net carrying amount	9,585	9,585

#### Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units (“CGU”) for impairment testing:

- SENADA E-COMMERCE CGU; and
- Jinan Jilian packaging products CGU.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
SENADA E-COMMERCE CGU	7,920	7,920
Jinan Jilian packaging products CGU	1,665	1,665
	9,585	9,585

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 16. GOODWILL (Continued)

#### SENADA E-COMMERCE CGU

Management engaged an independent external valuer to assess the recoverable amounts of the goodwill as at the end of each reporting period. The recoverable amount of SENADA E-COMMERCE CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15.17% and 13.95% for 2024 and 2025, respectively. The cash flows beyond the five-year period are extrapolated using zero growth rate and the business is assumed that it would operate perpetually.

The following table sets out the key assumptions adopted by management in the impairment assessment:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue annual growth rate – average of the forecast period	<b>8.11%</b>	11.37%
Average gross margins	<b>13.20%</b>	26.40%
Pre-tax discount rate	<b>13.95%</b>	15.17%

As at 31 December 2024 and 2025, based on the value-in-use calculations, the recoverable amount exceeded the carrying amount of SENADA E-COMMERCE CGU by RMB8,747,000 and RMB9,336,000, respectively.

#### Key assumptions for value in use calculations

Assumptions were used in the value-in-use calculation of the CGUs for the reporting periods. The key assumptions used in the value in use calculations reflect a combination of internal and external factors impacting budgeted sales and gross margins and discount rates. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

**Budgeted sales and gross margins** – The basis used to determine the value assigned to the budgeted sales and gross margins is the average results achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

**Discount rate** – The cash flow projections are discounted using an discount rate of 15.17% and 13.95% as of 31 December 2024 and 2025, respectively. The discount rates used are before tax and reflect specific risks relating to the relevant units.

The value assigned to the key assumptions on the market development of the SENADA E-COMMERCE and discount rate are consistent with external information sources.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 16. GOODWILL (Continued)

#### Sensitivity analysis for the SENADA E-COMMERCE CGU valuation

Management of the Company has performed sensitivity test by decreasing 0.3% of budgeted sales, decreasing 0.3% of gross margins or increasing 0.3% of discount rate, with all other key assumptions held constant. The impacts on the amount by which SENADA E-COMMERCE CGU recoverable amount exceed its carrying amount (“**headroom**”) are as below:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Budgeted sales decreased by 0.3%	<b>(1,813)</b>	(1,129)
Gross margins decreased by 0.3%	<b>(1,629)</b>	(1,215)
Discount rate increased by 0.3%	<b>(752)</b>	(913)

The headroom corresponding to the impact of the above key assumptions are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Headroom – decreasing budgeted sales by 0.3%	<b>7,523</b>	7,618
Headroom – decreasing gross margins by 0.3%	<b>7,707</b>	7,532
Headroom – increasing discount rate by 0.3%	<b>8,584</b>	7,834

These sensitivities analysis are based on changing the relevant assumption while holding other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

Considering there was still sufficient headroom based on the assessment, the management believe there was no impairment for the goodwill as at the end of each reporting period.

Based on the results of the abovementioned assessments as conducted by management and the independent external valuer, the directors of the Company conclude that no impairment loss on the aforementioned goodwill is required to be recognised as at the end of each reporting period.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 17. OTHER INTANGIBLE ASSETS

	Non-patented technology RMB'000	Patent RMB'000	Software RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024:					
Cost	428	6,676	9,239	14,444	30,787
Accumulated amortisation	(161)	(2,010)	(4,379)	(860)	(7,410)
Net carrying amount	267	4,666	4,860	13,584	23,377
Cost at 1 January 2024, net of accumulated amortisation					
	267	4,666	4,860	13,584	23,377
Additions	–	6	340	81	427
Amortisation provided during the year	(40)	(408)	(1,420)	(2,025)	(3,893)
Disposals	(1)	–	–	–	(1)
At 31 December 2024, net of accumulated amortisation	226	4,264	3,780	11,640	19,910
At 31 December 2024:					
Cost	422	6,682	9,579	14,525	31,208
Accumulated amortisation	(196)	(2,418)	(5,799)	(2,885)	(11,298)
Net carrying amount	226	4,264	3,780	11,640	19,910
Cost at 1 January 2025, net of accumulated amortisation					
	<b>226</b>	<b>4,264</b>	<b>3,780</b>	<b>11,640</b>	<b>19,910</b>
Additions	<b>311</b>	–	<b>169</b>	<b>8</b>	<b>488</b>
Amortisation provided during the year	<b>(280)</b>	<b>(304)</b>	<b>(1,024)</b>	<b>(1,579)</b>	<b>(3,187)</b>
Disposals	–	–	–	<b>(90)</b>	<b>(90)</b>
At 31 December 2025, net of accumulated amortisation	<b>257</b>	<b>3,960</b>	<b>2,925</b>	<b>9,979</b>	<b>17,121</b>
At 31 December 2025:					
Cost	<b>733</b>	<b>6,653</b>	<b>9,749</b>	<b>14,410</b>	<b>31,545</b>
Accumulated amortisation	<b>(476)</b>	<b>(2,693)</b>	<b>(6,824)</b>	<b>(4,431)</b>	<b>(14,424)</b>
Net carrying amount	<b>257</b>	<b>3,960</b>	<b>2,925</b>	<b>9,979</b>	<b>17,121</b>



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 18. INVESTMENTS IN ASSOCIATES

The following table illustrates the summarised financial information of the Group's associates that are not individually material to the Group:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Aggregate carrying amount of the Group's investments in the associates	<b>179,787</b>	107,477
Share of the associates' gains for the year	<b>4,057</b>	3,584
Share of the associates' total comprehensive income	<b>3,803</b>	3,653

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity investments designated at fair value through other comprehensive income		
Unlisted equity investments, at fair value	<b>37,816</b>	8,254

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

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Other unlisted investments, at fair value	<b>63,293</b>	130,863

The balance of unlisted investments at 31 December 2025 were investments in a private equity fund in Hong Kong, China in December 2025. The prior year investment was redeemed in 2025. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 21. OTHER NON-CURRENT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments for property, plant and equipment	35,538	1,188

### 22. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	186,369	160,553
Work in progress	25,522	28,320
Finished goods	316,142	271,470
Others	1,499	448
Impairment allowance	529,532 (13,452)	460,791 (12,902)
Total	516,080	447,889

The movements for impairment of inventories are as follows:

	As at 1 January 2025 <i>RMB'000</i>	Accrual <i>RMB'000</i>	Exchange loss <i>RMB'000</i>	Write off <i>RMB'000</i>	As at 31 December 2025 <i>RMB'000</i>
Impairment of raw materials	3,828	971	-	-	4,799
Impairment of work in progress	738	74	-	(652)	160
Impairment of finished goods	8,336	10,345	3	(10,191)	8,493
Total	12,902	11,390	3	(10,843)	13,452



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 23. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	<b>658,635</b>	591,571
Impairment	<b>(35,221)</b>	(42,681)
Trade receivables, net	<b>623,414</b>	548,890
Bills receivables	<b>4,176</b>	4,995
Trade and bills receivables	<b>627,590</b>	553,885

The bills receivables held by the Group were mostly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was immaterial as at end of reporting period.

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 and credit limits attributed to customers are reviewed annually. As at 31 December 2025, the Group had certain concentrations of credit risk as 43.66% (2024: 50.42%) of the Group's trade receivables were due from the Group's five largest customers, respectively. The Group had certain concentrations of credit risk as 26.13% (2024: 36.94%) of the Group's trade receivables were due from the Group's largest customer.

An ageing analysis of the trade receivables of the Group as at the end of each reporting period (based on the invoice date) is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<b>642,747</b>	569,614
1 to 2 years	<b>6,288</b>	5,595
2 to 3 years	<b>4,289</b>	4,038
3 to 4 years	<b>4,013</b>	10,926
4 to 5 years	<b>367</b>	206
Over 5 years	<b>931</b>	1,192
Impairment allowance	<b>(35,221)</b>	(42,681)
	<b>623,414</b>	548,890

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 23. TRADE AND BILLS RECEIVABLES (Continued)

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	42,681	37,691
Additions	3,740	7,229
Foreign exchange	515	–
Write-off	(11,715)	(2,239)
At end of year	35,221	42,681

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing and client credit rating for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group used simplified approach by establishing a provision matrix based on its historical credit loss experience and considering the forward-looking factors in calculating ECLs for trade receivables. During the year, there was no significant fluctuation for the overall expected credit loss rates.

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

#### 2025

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>
Within one year	4.45%	640,249	28,480
1 to 2 years	10.00%	6,288	629
2 to 3 years	20.00%	4,289	858
3 to 4 years	40.00%	4,013	1,605
4 to 5 years	60.00%	367	220
Over 5 years	100.00%	931	931
Individually assessed	100.00%	656,137 2,498	32,723 2,498
		658,635	35,221

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 23. TRADE AND BILLS RECEIVABLES (Continued)

2024

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Within one year	4.96%	569,614	28,230
1 to 2 years	10.00%	5,595	559
2 to 3 years	20.00%	2,526	505
3 to 4 years	40.00%	657	263
4 to 5 years	60.00%	137	82
Over 5 years	100.00%	383	383
		578,912	30,022
Individually assessed	100.00%	12,659	12,659
		591,571	42,681

### 24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	28,435	21,080
Deposits and other receivables	155,953	150,088
Value-added tax recoverable	19,706	17,527
Prepaid income tax	952	2,059
Listing expense	–	45,870
Prepayments for equipment procurement as agent	12,742	–
Export tax refund receivable	16,760	–
Others	743	296
	235,291	236,920
Impairment allowance	(94,663)	(95,046)
	140,628	141,874

The balances are not secured by collateral and expected credit loss rate was minimal except for the other receivables related to disposal of a subsidiary amounting to RMB88,878,000 (31 December 2024: RMB89,082,000), pledged by the equity interest of that disposed entity, that the Group has individually assessed the collectability of such receivable, and provided the impairment of RMB88,878,000 as at 31 December 2025 (31 December 2024: RMB89,082,000).

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 25. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Cash and cash equivalents	<b>1,229,577</b>	711,062
Time deposits with original maturities between three months to one year	<b>106,777</b>	50,169
Pledged deposits	<b>32,206</b>	67,971
	<b>1,368,560</b>	829,202
Non-current:		
Time deposits with original maturities over one year	<b>119,046</b>	133,791
Pledged deposits	<b>1,722</b>	–
	<b>120,768</b>	133,791
	<b>2025 <i>RMB'000</i></b>	<b>2024 <i>RMB'000</i></b>
Cash and cash equivalents, pledged deposits and time deposits		
Denominated in		
– RMB	<b>485,481</b>	682,440
– USD	<b>868,625</b>	131,560
– EUR	<b>6,104</b>	32,551
– HKD	<b>6,740</b>	6,883
– JPY	<b>119,217</b>	86,084
– Others	<b>3,161</b>	23,475
	<b>1,489,328</b>	962,993

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The bank balances are deposited with creditworthy banks with no recent history of default.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 26. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	682,152	695,430
1 to 2 years	8,686	12,916
2 to 3 years	1,252	3,950
Over 3 years	3,443	4,264
	<b>695,533</b>	716,560

Trade payables are non-interest-bearing and normally settled on terms of within 30 to 60 days.

In August 2024, the Group entered into supplier finance arrangements with Ping An Bank Co., Ltd. (“**Ping An Bank**”) and Agricultural Bank of China Limited (“**Agricultural Bank**”), together as the “discounting banks”. Pursuant to the agreements, Ping An Bank provided discounting the bill receivables of the Group’s suppliers without credit limit. Agricultural Bank provided a total credit limit up to RMB50 million for discounting the bill receivables of the Group’s suppliers.

Under these supplier finance arrangements, the Group’s suppliers can elect to have their undue bill receivables from the Group discounted by the discounting banks. Upon the Group’s approval, the discounting banks will pay the suppliers directly for the discounted bills. The Group will subsequently make payments to the discounting banks to settle the discounted bills. The term of the above supplier finance arrangements is usually not more than 6 months.

From the perspective of the Group, the supplier finance arrangements effect a non-cash movement from payables to suppliers to payables to the bills payables. During the year ended 31 December 2025, Ping An Bank and Agricultural Bank had paid discounting financing funds amounting to RMB30,812,000 (2024:RMB32,599,000) and RMB13,367,000 (2024:RMB49,903,000) to the Group’s suppliers, respectively.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 27. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Payroll and welfare payables	<b>71,831</b>	94,319
Repurchase obligation for restricted shares ( <i>note 35</i> )	<b>16,056</b>	47,101
Deposits and other payable	<b>45,974</b>	31,336
Others	<b>11,633</b>	8,565
	<b>145,494</b>	181,321

Other payables are non-interest-bearing and have no fixed terms of settlement, except for repurchase obligation for restricted shares which will be settled according to the vesting schedules.

### 28. CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sale of products/services	<b>30,135</b>	17,858

Contract liabilities include advances received to deliver goods. The changes in contract liabilities during the year were mainly due to the changes in advances received from customers.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 29. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Bank loans – secured	0.60%~2.50%	2026	140,630	2.55%-3.15%	2025	29,522
Bank loans – unsecured	2.11%~2.40%	2026	89,561	2.40%-2.55%	2025	79,054
Current portion of long-term bank loans						
– secured	2.44%~2.70%	2026	66,738	2.55%-3.50%	2025	4,543
Current portion of long-term bank loans						
– unsecured	2.00%~2.70%	2026	12,564	4.00%	2025	8,007
			<b>309,493</b>			121,126
<b>Non-current</b>						
Bank loans – secured	2.44%~2.70%	2027-2028	66,713	2.55%-3.50%	2026-2027	127,067
Bank loans – unsecured	2.00%~2.70%	2027-2028	171,840	–	–	–
			<b>238,553</b>			127,067

- Certain of the Group's buildings with net carrying amount of approximately RMB30,285,000 as at 31 December 2025 (2024: RMB32,076,000), were pledged to secure bank facilities granted to the Group for borrowings and bills payables.
- Certain of the Group's land use rights with a net carrying amount of approximately RMB29,225,000 as at 31 December 2025 (2024: RMB29,902,000), were pledged to secure bank facilities granted to the Group for borrowings and bills payables.
- As at 31 December 2025, the Group's interest-bearing bank borrowings of RMB274,081,000 (2024: RMB161,133,000), were jointly guaranteed by the Company and its subsidiaries of the Group.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 30. DEFERRED INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants	<b>32,052</b>	30,945

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

### 31. DEFERRED TAX

#### Deferred tax assets

	Impairment of assets <i>RMB'000</i>	Deferred income and accruals <i>RMB'000</i>	Unrealised profits from intercompany transactions <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	8,219	3,665	1,383	14,711	27,978
Deferred tax charged to the consolidated statements of profit or loss during the year	(398)	(66)	(740)	(2,218)	(3,422)
Gross deferred tax assets at 31 December 2024	7,821	3,599	643	12,493	24,556
Deferred tax (charged)/credited to the consolidated statements of profit or loss during the year	<b>(1,551)</b>	<b>710</b>	<b>(630)</b>	<b>1,601</b>	<b>130</b>
Gross deferred tax assets at 31 December 2025	<b>6,270</b>	<b>4,309</b>	<b>13</b>	<b>14,094</b>	<b>24,686</b>



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 31. DEFERRED TAX (Continued)

#### Deferred tax liabilities

	Fair value adjustment arising from acquisitions <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Super deduction of fixed assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	2,821	15,867	807	19,495
Deferred tax credited to the consolidated statements of profit or loss during the year	(322)	(2,961)	(88)	(3,371)
Gross deferred tax liabilities at 31 December 2024	2,499	12,906	719	16,124
Deferred tax (credited)/charged to the consolidated statements of profit or loss during the year	<b>(164)</b>	<b>2,074</b>	<b>(87)</b>	<b>1,823</b>
Gross deferred tax liabilities at 31 December 2025	<b>2,335</b>	<b>14,980</b>	<b>632</b>	<b>17,947</b>

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 Group for financial reporting purposes:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax assets	<b>9,962</b>	11,147
Deferred tax liabilities	<b>3,223</b>	2,715

The Group has tax losses arising in Hong Kong of RMB59,423,000 (2024: RMB47,036,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in Chinese mainland of RMB404,819,000 (2024: RMB419,221,000) that will expire in one to ten years for offsetting against future taxable profits.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 31. DEFERRED TAX (Continued)

#### Deferred tax liabilities (Continued)

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Deductible temporary differences	<b>102,119</b>	107,581
Tax losses	<b>464,242</b>	466,257
	<b>566,361</b>	573,838

Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and 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 can be utilised.

### 32. SHARE CAPITAL

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Issued and fully paid: ordinary shares	<b>450,405</b>	384,769

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

	<b>Number of shares</b> <i>RMB'000</i>	<b>Share capital</b> <i>RMB'000</i>
At 1 January 2024	385,009,288	385,009
Cancellation of restricted shares granted under Share Incentive Plans	(240,000)	(240)
At 31 December 2024	384,769,288	384,769
Cancellation of restricted shares granted under Share Incentive Plans	(2,274,000)	(2,274)
Issuance of H Shares	67,910,000	67,910
At 31 December 2025	<b>450,405,288</b>	<b>450,405</b>



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 33. RESERVES

The amounts of the Group's reserves and the movements there in are presented in the consolidated statements of changes in equity.

#### (a) 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% 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.

#### (b) Share award reserve

The share award reserve comprises the fair value of equity-settled share-based payment expenses, as further explained in note 35.

#### (c) Capital reserve

The capital reserve mainly arose from (i) the capital contributions from the then equity holders of the Group's subsidiaries, after elimination of investments in subsidiaries; and (ii) the acquisition of non-controlling interest of the Group's subsidiaries. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity.

#### (d) Other comprehensive income

The other comprehensive reserve mainly represented exchange fluctuation reserve, which is used to record exchange differences arising from the translation of the financial information of entities of which the functional currency is not RMB.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 33. RESERVES (Continued)

#### (e) Treasury Shares

	Number of shares	Treasury shares <i>RMB'000</i>
At 1 January 2024	7,070,900	72,854
Repurchase of shares	5,554,800	75,945
Cancel of shares	(643,408)	(12,635)
At 31 December 2024	11,982,292	136,164
Repurchase of shares	<b>4,050,700</b>	<b>61,126</b>
Cancel or disposal of shares	<b>(4,096,707)</b>	<b>(32,442)</b>
At 31 December 2025	<b>11,936,285</b>	<b>164,848</b>

### 34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

During the year, the summarised financial information of the non-controlling interests subsidiaries that are not individually material to the Group.

### 35. SHARE BASED PAYMENTS

In prior years, the Company conducted a series of restricted shares incentive plans (“**Share Incentive Plans**”) to eligible management and employees of the Group. Under the Share Incentive Plans, participants can exercise the shares when certain criteria fulfilled.

The restricted shares granted are subject to specific lock-up periods and with service and/or performance conditions vesting conditions which are determined by the Board of Directors. Evaluations are made as of each reporting period to assess the likelihood of vesting conditions being met. Share-based compensation expenses are then adjusted to reflect the revision of original estimates.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 35. SHARE BASED PAYMENTS (Continued)

The following equity-settled share based payment was outstanding under the Share Incentive Plans during the year:

	Number of shares	Treasury shares <i>RMB'000</i>
At 1 January 2024	10,549,007	7.18
Vested	(4,352,415)	6.77
Forfeited	(4,288,592)	7.00
At 31 December 2024	1,908,000	8.52
At 1 January 2025	<b>1,908,000</b>	<b>8.52</b>
Forfeited	<b>(1,908,000)</b>	<b>8.52</b>
At 31 December 2025	—	—

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

The Group recorded a reversal of share based payments expenses amounting to RMB 3,408,000 for the year of 2025.

As at 31 December 2025, the repurchase obligation in relation to restricted shares granted amounting to RMB16,056,000 (2024: RMB47,101,000). During the year, the cumulative revocable and non-vestable cash dividends paid by the Company under the Share Incentive Plans, amounting to RMB1,633,000, were offset the repurchase obligation recorded in other payables and accruals at the time of payment, with no effect on retained profits at the end of the year.

### 36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB53,945,000 (2024: RMB34,440,000), respectively, in respect of lease arrangements for properties.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

#### (b) Changes in liabilities arising from financing activities

2025

	Interest-bearing bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
At 1 January 2025	248,193	84,143
Changes from financing activities cash flows	290,310	(36,960)
New leases	–	53,945
Termination of lease contracts	–	(16,033)
Accrual of interest	9,543	3,436
At 31 December 2025	548,046	88,531

2024

	Interest-bearing bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
At 1 January 2024	258,617	88,385
Changes from financing activities cash flows	(16,507)	(34,918)
New leases	–	34,440
Termination of lease contracts	–	(8,614)
Accrual of interest	6,083	4,850
At 31 December 2024	248,193	84,143

#### (c) Total cash outflow for leases

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating activities	4,035	3,215
Within financing activities	36,960	34,918
	40,995	38,133



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 37. CONTINGENT LIABILITIES

As at the end of reporting periods, neither the Group nor the Company had any significant contingent liabilities.

### 38. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank facilities are included in note 29 to the financial statements.

### 39. COMMITMENTS

The Group had the following capital commitments at the end of reporting periods:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Contracted, but not provided for purchase of property, plant and equipment	<b>95,160</b>	11,455

### 40. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the year:

#### (a) Transactions with related parties

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of goods Associates	<b>103</b>	720
Purchases of products Associates	<b>763</b>	3,701
Purchases of services Associate	<b>66</b>	1,619

The sales to the related parties and the purchases from the related parties were made according to the published prices and conditions negotiated between the parties.

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 40. RELATED PARTY TRANSACTIONS (Continued)

#### (b) Outstanding balances with related parties

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts due to related parties		
Associates	–	972
Amounts due from related parties		
Associates	<b>75,239</b>	1,243

During the year ended 31 December 2025, the Group acted as an agent purchasing equipment on behalf of an associate, with a remaining unsettled gross balance of RMB76,650,000.

The outstanding balances with related parties are all trade in nature.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fees	<b>813</b>	798
Other emoluments:		
Salaries, allowances and benefits in kind	<b>11,267</b>	10,393
Performance related bonuses	<b>4,092</b>	5,565
Equity-settled share-based payment expenses	<b>2,106</b>	3,511
Pension scheme contributions	<b>179</b>	179
Total	<b>18,457</b>	20,446

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

2025

#### Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss <i>RMB'000</i>	Financial assets at amortized cost <i>RMB'000</i>	Total <i>RMB'000</i>
	Debt investments <i>RMB'000</i>	Equity investments <i>RMB'000</i>			
Equity investments designated at fair value through other comprehensive income	-	37,816	-	-	37,816
Pledged deposits	-	-	-	33,928	33,928
Time deposits	-	-	42,409	183,414	225,823
Financial assets at fair value through profit or loss	-	-	63,293	-	63,293
Trade and bills receivables	2,127	-	-	625,463	627,590
Amounts due from related parties	-	-	-	75,239	75,239
Financial assets included in prepayments, other receivables and other assets (note 24)	-	-	-	61,290	61,290
Cash and cash equivalents	-	-	-	1,229,577	1,229,577
	2,127	37,816	105,702	2,208,911	2,354,556

#### Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bills payables	695,533
Financial liabilities included in other payables and accruals (note 27)	62,030
Interest-bearing bank borrowings	548,046
	1,305,609

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 41. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2024

### Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss <i>RMB'000</i>	Financial assets at amortized cost <i>RMB'000</i>	Total <i>RMB'000</i>
	Debt investments <i>RMB'000</i>	Equity investments <i>RMB'000</i>			
Equity investments designated at fair value through other comprehensive income	-	8,254	-	-	8,254
Pledged deposits	-	-	-	67,971	67,971
Time deposits	-	-	28,088	155,872	183,960
Financial assets at fair value through profit or loss	-	-	130,863	-	130,863
Trade and bills receivables	4,204	-	-	549,681	553,885
Amounts due from related parties	-	-	-	1,243	1,243
Financial assets included in prepayments, other receivables and other assets (note 24)	-	-	-	54,498	54,498
Cash and cash equivalents	-	-	-	711,062	711,062
	4,204	8,254	158,951	1,540,327	1,711,736

### Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bills payables	716,560
Financial liabilities included in other payables and accruals (note 27)	78,437
Interest-bearing bank borrowings	248,193
Amounts due to related parties	972
	1,044,162



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, amounts due from related parties, amounts due to related parties, trade and bill payables, current portion of interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Management measures the fair value of interest-bearing bank borrowings based on discounted cash flow method. The fair values approximate to their carrying amounts.

The fair values of the non-current portion of pledged deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values approximate to their carrying amounts.

The unlisted investments in financial assets at fair value through profit or loss were investments in a private equity fund in Hong Kong.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the financial director. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial director. The valuation process and results are discussed with the financial director twice a year for interim and 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.

Below is a summary of significant unobservable inputs to the valuation of financial instruments:

	<b>Fair Value</b> <i>RMB'000</i>	<b>Valuation technique</b>	<b>Significant Unobservable input</b>	<b>Range</b>
Private equity fund	63,293	Recent financing price method	Not applicable	Not applicable
Equity investment A	34,816	Recent financing price method	Not applicable	Not applicable
Equity investment B	3,000	Market multiple method	Enterprise value/Sales Discount for lack of marketability	1.38–4.35 18.00%–20.00%

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

#### 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			
	At 31 December 2025	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Trade and bills receivables	2,127	–	2,127	–
Financial assets at fair value through profit or loss	105,702	–	42,409	63,293
Equity investments designated at fair value through other comprehensive income	37,816	–	–	37,816
	145,645	–	44,536	101,109

	Fair value measurement using			
	At 31 December 2024	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Trade and bills receivables	4,204	–	4,204	–
Financial assets at fair value through profit or loss	158,951	–	158,951	–
Equity investments designated at fair value through other comprehensive income	8,254	–	–	8,254
	171,409	–	163,155	8,254

The fair values of equity investments designated at fair value through other comprehensive income has been estimated using market method. For trade and bills receivables measured at fair value through other comprehensive income and time deposits measured at fair value through profit or loss due to interest linked to some financial variables, the Group estimated their fair value by using a discounted cash flow method.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value hierarchy (Continued)

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity investments at fair value through other comprehensive income		
At 1 January	<b>8,254</b>	19,500
Total gains recognised in the statement of profit or loss included in other income	<b>60</b>	–
Total gains/(losses) recognised in other comprehensive income	<b>1,452</b>	(7,246)
Purchases	<b>34,816</b>	–
Disposals	<b>(6,706)</b>	(4,000)
At 31 December	<b>37,816</b>	8,254
	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial assets at fair value through profit or loss		
At 1 January	–	–
Total gains recognised in the statement of profit or loss included in other income	–	–
Purchases	<b>63,293</b>	–
At 31 December	<b>63,293</b>	–

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from overseas sales of products of paper packaging and cross-border social e-commerce, and purchases of logistics and advertisement services with payments to overseas suppliers.

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

	Increase/(decrease) in foreign currency/ RMB rate %	Increase/(decrease) in profit before tax RMB'000
<b>31 December 2025</b>		
If RMB weakens against JPY	<b>5</b>	<b>10,345</b>
If RMB strengthens against JPY	<b>(5)</b>	<b>(10,345)</b>
If RMB weakens against USD	<b>5</b>	<b>35,067</b>
If RMB strengthens against USD	<b>(5)</b>	<b>(35,067)</b>
<b>31 December 2024</b>		
If RMB weakens against JPY	5	9,858
If RMB strengthens against JPY	(5)	(9,858)
If RMB weakens against USD	5	(4,153)
If RMB strengthens against USD	(5)	4,153

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### 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 except for items individually assessed. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the deputy general manager.

#### Maximum exposure and year-end staging

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 reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and year-end staging classification as at 31 December. The amounts presented are gross amounts for financial assets.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	662,811	662,811
Amounts due from related parties	76,650	–	–	1,121	77,771
Financial assets included in prepayments, other receivables and other assets					
– Normal **	62,033	–	–	–	62,033
– Doubtful **	–	–	94,663	–	94,663
Pledged deposits	33,928	–	–	–	33,928
Time deposits	183,414	–	–	–	183,414
Cash and cash equivalents	1,229,577	–	–	–	1,229,577
	1,585,602	–	94,663	663,932	2,344,197

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	596,566	596,566
Amounts due from related parties	–	–	–	1,363	1,363
Financial assets included in prepayments, other receivables and other assets					
– Normal **	56,838	–	–	–	56,838
– Doubtful **	–	–	93,546	–	93,546
Pledged deposits	67,971	–	–	–	67,971
Time deposits	155,872	–	–	–	155,872
Cash and cash equivalents	711,062	–	–	–	711,062
	991,743	–	93,546	597,929	1,683,218

\* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the financial statements.

\*\* 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”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade and bills receivables and prepayments, other receivables and other assets are disclosed in notes 23 and 24 to the financial statements.

Concentrations of credit risk are managed by customers. Credit risk management is centralized according to customers. As at 31 December 2025, the Group had certain concentrations of credit risk as 43.66% (2024: 50.42%) of the book balance of the Group’s trade and bills receivables were due from the Group’s five largest customers, respectively.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. The Group's policy is that all the borrowings should be approved by the deputy general manager.

The tables below summarise the maturity profile of the Group's financial liabilities at the end of each reporting period based on contractual undiscounted payments:

#### 31 December 2025

	Within 1 year <i>RMB'000</i>	1 to 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
Trade and bills payables	695,533	–	–	695,533
Interest-bearing bank borrowings	315,436	244,423	–	559,859
Lease liabilities	36,727	58,558	–	95,285
Other payables and accruals	62,030	–	–	62,030
	<b>1,109,726</b>	<b>302,981</b>	–	<b>1,412,707</b>

#### 31 December 2024

	Within 1 year <i>RMB'000</i>	1 to 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
Trade and bills payables	716,560	–	–	716,560
Amounts due to related parties	972	–	–	972
Interest-bearing bank borrowings	124,018	130,351	–	254,369
Lease liabilities	37,397	53,627	–	91,024
Other payables and accruals	78,437	–	–	78,437
	<b>957,384</b>	<b>183,978</b>	–	<b>1,141,362</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to 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 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is debt divided by the equity plus debt. Debt includes interest-bearing bank borrowings, trade and bills payables, other payables and accruals, lease liabilities and amounts due to related parties. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest-bearing bank borrowings	548,046	248,193
Trade and bills payables	695,533	716,560
Other payables and accruals	145,494	181,321
Lease liabilities	88,531	84,143
Amounts due to related parties	–	972
Less: Cash and cash equivalents	1,229,577	711,062
Net debt	248,027	520,127
Equity attribute to owners of the parent	2,698,314	2,202,024
Equity and net debt	2,946,341	2,722,151
Gearing ratio	9%	19%

### 44. EVENTS AFTER THE RELEVANT PERIODS

On 31 March 2026, the Company proposed a profit distribution plan for the year of 2025, pursuant to which a dividend of RMB1.80 (tax inclusive) per 10 Shares of the Company's issued and outstanding shares after deducting repurchased shares, in an aggregate amount of RMB79,259,000 will be paid. The proposed profit distribution plan is subject to the Company's shareholders at the forthcoming annual general meeting.



## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>41,833</b>	79,132
Right-of-use assets	<b>21,158</b>	22,903
Other intangible assets	<b>1,839</b>	2,598
Investments in subsidiaries	<b>939,855</b>	799,994
Investments in associates	<b>54,444</b>	66,951
Other non-current assets	<b>5,512</b>	608
<b>Total non-current assets</b>	<b>1,064,641</b>	972,186
<b>CURRENT ASSETS</b>		
Inventories	<b>10,667</b>	16,954
Trade and bills receivables	<b>68,160</b>	37,110
Prepayments, other receivables and other assets	<b>29,964</b>	50,437
Amounts due from related parties	<b>49,220</b>	114
Amounts due from subsidiaries	<b>646,261</b>	589,468
Pledged deposits	<b>176</b>	12,191
Cash and cash equivalents	<b>501,092</b>	100,495
<b>Total current assets</b>	<b>1,305,540</b>	806,769
<b>CURRENT LIABILITIES</b>		
Trade and bills payables	<b>4,564</b>	49,676
Other payables and accruals	<b>39,439</b>	57,678
Contract liabilities	<b>548</b>	520
Interest-bearing bank borrowings	<b>161,959</b>	87,311
Lease liabilities	<b>2,661</b>	6,069
Amounts due to related parties	<b>–</b>	972
Amounts due to subsidiaries	<b>561,265</b>	587,787
Other current liabilities	<b>34</b>	68
<b>Total current liabilities</b>	<b>770,470</b>	790,081
<b>NET CURRENT ASSETS</b>	<b>535,070</b>	16,688
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,599,711</b>	988,874

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	<b>224,775</b>	59,550
Lease liabilities	<b>8,760</b>	8,162
Deferred income	–	3,489
Deferred tax liabilities	<b>727</b>	412
Total non-current liabilities	<b>234,262</b>	71,613
NET ASSETS	<b>1,365,449</b>	917,261
EQUITY		
Share capital	<b>450,405</b>	384,769
Reserves	<b>915,044</b>	532,492
Total equity	<b>1,365,449</b>	917,261

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**Hao Zhuang**  
*Director*

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**Tashan Lu**  
*Director*

## NOTES TO FINANCIAL STATEMENTS

31 December 2025

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Treasury shares RMB'000	Share premium RMB'000	Share award reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	(72,854)	316,433	19,001	78,744	267,317	608,641
Profit for the year	-	-	-	-	173,753	173,753
Total comprehensive income for the year	-	-	-	-	173,753	173,753
Equity-settled share-based payment expenses	-	-	17,332	-	-	17,332
Cancellation of shares repurchased	2,282	(2,042)	-	-	-	240
Repurchase obligation for restricted shares	10,353	29,470	(29,470)	-	-	10,353
Shares repurchased for Share Incentive Plans	(75,945)	-	-	-	-	(75,945)
Dividends declared	-	-	-	-	(201,882)	(201,882)
Appropriation of statutory reserve	-	-	-	17,375	(17,375)	-
At 31 December 2024	(136,164)	343,861	6,863	96,119	221,813	532,492
	<b>Treasury shares RMB'000</b>	<b>Share premium RMB'000</b>	<b>Share award reserve RMB'000</b>	<b>Statutory reserve RMB'000</b>	<b>Retained profits RMB'000</b>	<b>Total RMB'000</b>
At 1 January 2025	(136,164)	343,861	6,863	96,119	221,813	532,492
Profit for the year	-	-	-	-	233,043	233,043
Total comprehensive income for the year	-	-	-	-	233,043	233,043
Issuance of H Shares	-	323,630	-	-	-	323,630
Equity-settled share-based payment expenses	-	-	(6,863)	-	-	(6,863)
Cancellation of shares repurchased	21,466	(19,192)	-	-	-	2,274
Forfeiture of restricted shares	(871)	-	-	-	871	-
Disposal of unvested restricted shares	11,847	17,742	-	-	-	29,589
Shares repurchased for Share Incentive Plans	(61,126)	-	-	-	-	(61,126)
Dividends declared	-	-	-	-	(137,995)	(137,995)
Appropriation of statutory reserve	-	-	-	23,305	(23,305)	-
At 31 December 2025	(164,848)	666,041	-	119,424	294,427	915,044

### 46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

# FIVE-YEARS FINANCIAL SUMMARY

## CONSOLIDATED RESULTS

Year ended 31 December

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	6,721,612	5,529,259	6,694,681	5,375,884	5,177,657
Cost of sales	(3,579,014)	(3,109,944)	(3,590,378)	(3,197,031)	(3,192,934)
Gross profit	3,142,598	2,419,315	3,104,303	2,178,853	1,984,723
Other income and gains	68,431	61,114	53,381	36,214	41,940
Selling and marketing expenses	(2,375,772)	(1,849,611)	(2,342,146)	(1,575,180)	(1,450,646)
Administrative expenses	(273,382)	(264,591)	(240,642)	(170,652)	(146,999)
Research and development costs	(136,105)	(124,429)	(141,980)	(148,512)	(126,001)
Impairment losses on financial assets	(5,861)	(9,037)	(25,367)	(76,680)	(9,375)
Share of profits/(losses) of associates	4,057	3,584	1,854	(4,865)	(1,726)
Foreign exchange (losses)/gains, net	(28,273)	(3,512)	975	10,736	(18,266)
Finance costs	(14,837)	(12,250)	(13,412)	(21,627)	(23,229)
Other expenses and losses	(5,768)	(2,443)	(10,500)	(14,397)	(3,214)
Profit before tax	375,088	218,140	386,466	213,890	247,207
Income tax expense	(41,038)	(33,690)	(54,344)	(42,311)	(38,320)
Profit for the year	334,050	184,450	332,122	171,579	208,887
Attributable to:					
Owners of the parent	276,832	181,931	345,099	183,980	227,279
Non-controlling interests	57,218	2,519	(12,977)	(12,401)	(18,392)
	334,050	184,450	332,122	171,579	208,887

## CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	4,321,865	3,503,094	3,586,576	3,242,386	2,944,510
Total liabilities	(1,571,247)	(1,294,579)	(1,273,722)	(1,105,221)	(1,029,896)
Non-controlling interests	52,304	6,491	32,456	41,949	47,814
Equity attributable to owners of the parent	2,698,314	2,202,024	2,280,398	2,095,216	1,866,800