

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE
DIRECTORS OF DAHON TECH (SHENZHEN) CO., LTD. 大行科工(深圳)股份有限公司
(FORMERLY KNOWN AS SHENZHEN MEIDAHON TECHNOLOGY CO., LTD. 深圳市美
大行科技有限公司) AND CHINA SECURITIES (INTERNATIONAL) CORPORATE
FINANCE COMPANY LIMITED**

Introduction

We report on the historical financial information of Dahon Tech (Shenzhen) Co., Ltd. 大行科工(深圳)股份有限公司 (formerly known as Shenzhen Meidahon Technology Co., Ltd. 深圳市美大行科技有限公司) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-73, which comprises the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and April 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and April 30, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2024 and the four months ended April 30, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-73 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 1, 2025 (the “Prospectus”) in connection with the initial listing of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors' responsibility for the Historical Financial Information

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

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at December 31, 2022, 2023 and 2024 and April 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended April 30, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page 1-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 1, 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

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

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	NOTES	Year ended December 31,			Four months ended	
		2022	2023	2024	April 30,	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Revenue	6	254,188	300,156	450,720	125,753	184,741
Cost of sales		(176,256)	(198,662)	(301,972)	(84,661)	(123,758)
Gross profit		77,932	101,494	148,748	41,092	60,983
Other income	7A	980	1,885	2,687	438	535
Other gains and losses, net	7B	3,011	280	(1,196)	(549)	(262)
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	177	883	747	654	(50)
Selling and distribution costs		(15,988)	(29,576)	(47,462)	(13,358)	(19,732)
Administrative expenses		(19,070)	(23,041)	(23,289)	(8,248)	(9,232)
Research and development expenditure		(9,013)	(10,667)	(17,553)	(4,636)	(6,481)
Listing expenses		—	—	(66)	—	(154)
Finance costs	9	(1,301)	(925)	(872)	(311)	(251)
Share of result of an associate	17	(210)	—	—	—	—
Profit before tax		36,518	40,333	61,744	15,082	25,356
Income tax expense	10	(5,084)	(5,483)	(9,445)	(2,352)	(3,828)
Profit and total comprehensive income for the year/period		<u>31,434</u>	<u>34,850</u>	<u>52,299</u>	<u>12,730</u>	<u>21,528</u>
		RMB yuan	RMB yuan	RMB yuan	RMB yuan	RMB yuan
Earnings per share	14					
Basic		<u>1.49</u>	<u>1.66</u>	<u>2.49</u>	<u>0.61</u>	<u>1.02</u>
Diluted		<u>1.49</u>	<u>1.60</u>	<u>2.34</u>	<u>0.58</u>	<u>0.96</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		The Group			As at
		As at December 31,			April 30,
		2022	2023	2024	2025
NOTES		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	15	3,756	3,601	3,032	3,250
Right-of-use assets	16	19,410	15,368	14,154	13,545
Deposits paid for property, plant and equipment		334	345	191	422
Intangible assets	18	648	13,545	11,443	10,883
Amount due from an associate	17	167	—	—	—
Deferred tax assets	19	<u>2,005</u>	<u>3,246</u>	<u>3,582</u>	<u>4,487</u>
		<u>26,320</u>	<u>36,105</u>	<u>32,402</u>	<u>32,587</u>
Current assets					
Inventories	20	57,739	79,354	112,595	143,460
Trade and other receivables	21	23,987	31,314	54,680	67,419
Amount due from an associate	17	666	167	—	—
Amounts due from related parties	22	20,264	—	—	—
Pledged bank deposits	23	—	—	—	50,000
Cash and cash equivalents	23	<u>56,773</u>	<u>45,895</u>	<u>101,788</u>	<u>59,024</u>
		<u>159,429</u>	<u>156,730</u>	<u>269,063</u>	<u>319,903</u>
Current liabilities					
Trade and other payables	24	78,096	58,529	125,691	163,648
Contract liabilities	25	16,045	17,384	26,551	36,560
Lease liabilities	26	3,734	3,208	4,480	4,987
Amount due to related parties	22	2,230	—	—	—
Income tax payable		<u>4,200</u>	<u>2,501</u>	<u>1,746</u>	<u>2,009</u>
		<u>104,305</u>	<u>81,622</u>	<u>158,468</u>	<u>207,204</u>
Net current assets		<u>55,124</u>	<u>75,108</u>	<u>110,595</u>	<u>112,699</u>
Total assets less current liabilities		<u>81,444</u>	<u>111,213</u>	<u>142,997</u>	<u>145,286</u>

The Group					
		As at December 31,			As at
		2022	2023	2024	April 30,
	NOTES	RMB'000	RMB'000	RMB'000	2025
					RMB'000
Capital and reserves					
Registered capital/share capital	27	13,839	23,369	23,748	23,748
Reserves		<u>40,966</u>	<u>66,286</u>	<u>102,006</u>	<u>105,821</u>
Total equity		<u>54,805</u>	<u>89,655</u>	<u>125,754</u>	<u>129,569</u>
Non-current liabilities					
Contract liabilities	25	9,385	7,511	5,441	5,026
Lease liabilities	26	<u>17,254</u>	<u>14,047</u>	<u>11,802</u>	<u>10,691</u>
		<u>26,639</u>	<u>21,558</u>	<u>17,243</u>	<u>15,717</u>
		<u>81,444</u>	<u>111,213</u>	<u>142,997</u>	<u>145,286</u>

STATEMENTS OF FINANCIAL POSITION

		The Company			As at
		As at December 31,			April 30,
		2022	2023	2024	2025
NOTES		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	15	2,116	2,088	1,859	1,995
Right-of-use assets	16	5,777	4,517	3,581	4,033
Investment in subsidiaries	34	6,293	6,293	7,263	7,412
Deposits paid for property, plant and equipment		334	320	100	317
Intangible assets	18	648	13,545	11,402	10,844
Amount due from an associate	17	167	—	—	—
Deferred tax assets	19	<u>871</u>	<u>889</u>	<u>1,072</u>	<u>1,141</u>
		<u>16,206</u>	<u>27,652</u>	<u>25,277</u>	<u>25,742</u>
Current assets					
Inventories	20	13,024	28,417	33,981	43,448
Trade and other receivables	21	4,864	12,189	23,346	30,415
Amount due from an associate	17	666	167	—	—
Amounts due from related parties	22	20,264	—	—	—
Amounts due from subsidiaries	22	25,759	42,189	14,120	30,657
Pledged bank deposits	23	—	—	—	50,000
Cash and cash equivalents	23	<u>50,836</u>	<u>32,016</u>	<u>91,838</u>	<u>40,740</u>
		<u>115,413</u>	<u>114,978</u>	<u>163,285</u>	<u>195,260</u>
Current liabilities					
Trade and other payables	24	42,470	26,881	38,022	55,277
Contract liabilities	25	14,440	17,069	26,225	36,234
Lease liabilities	26	1,137	1,267	1,475	1,960
Amount due to related parties	22	500	—	—	—
Amount due to a subsidiary	22	—	—	—	5,027
Income tax payable		<u>3,135</u>	<u>1,765</u>	<u>954</u>	<u>710</u>
		<u>61,682</u>	<u>46,982</u>	<u>66,676</u>	<u>99,208</u>
Net current assets		<u>53,731</u>	<u>67,996</u>	<u>96,609</u>	<u>96,052</u>
Total assets less current liabilities		<u>69,937</u>	<u>95,648</u>	<u>121,886</u>	<u>121,794</u>

The Company					
		As at December 31,			As at
		2022	2023	2024	April 30,
	NOTES	RMB'000	RMB'000	RMB'000	2025
					RMB'000
Capital and reserves					
Registered capital/share capital	27	13,839	23,369	23,748	23,748
Reserves	27	<u>41,510</u>	<u>60,832</u>	<u>89,885</u>	<u>90,269</u>
Total equity		<u>55,349</u>	<u>84,201</u>	<u>113,633</u>	<u>114,017</u>
Non-current liabilities					
Contract liabilities	25	9,385	7,511	5,441	5,026
Lease liabilities	26	<u>5,203</u>	<u>3,936</u>	<u>2,812</u>	<u>2,751</u>
		<u>14,588</u>	<u>11,447</u>	<u>8,253</u>	<u>7,777</u>
		<u>69,937</u>	<u>95,648</u>	<u>121,886</u>	<u>121,794</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Registered capital/ share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000 (Note (i))	Other reserves RMB'000 (Note (iii))	Retained profits RMB'000	Total RMB'000
At January 1, 2022	10,000	—	3,691	—	31,681	45,372
Profit and total comprehensive income for the year	—	—	—	—	31,434	31,434
Transfer to statutory reserves	—	—	1,658	—	(1,658)	—
Dividend recognized as distribution (note 13)	—	—	—	—	(22,001)	(22,001)
Capital contribution from 2022 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	3,839	—	—	—	—	3,839
Reclassification in respect of shares subject to repurchase under 2022 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) (Note (iv))	—	—	—	(3,839)	—	(3,839)
At December 31, 2022	13,839	—	5,349	(3,839)	39,456	54,805
Profit and total comprehensive income for the year	—	—	—	—	34,850	34,850
Transfer to statutory reserves	—	—	2,995	—	(2,995)	—
Conversion into a joint stock company (Note (ii))	8,661	42,884	(5,349)	—	(46,196)	—
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	869	3,476	—	—	—	4,345
Reclassification in respect of shares subject to repurchase under 2023 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) (Note (iv))	—	—	—	(4,345)	—	(4,345)
At December 31, 2023	23,369	46,360	2,995	(8,184)	25,115	89,655
Profit and total comprehensive income for the year	—	—	—	—	52,299	52,299
Transfer to statutory reserves	—	—	4,563	—	(4,563)	—
Dividend recognized as distribution (note 13)	—	—	—	—	(16,200)	(16,200)
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	379	2,653	—	—	—	3,032
Reclassification in respect of shares subject to repurchase under 2024 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) (Note (iv))	—	—	—	(3,032)	—	(3,032)
At December 31, 2024	23,748	49,013	7,558	(11,216)	56,651	125,754
Profit and total comprehensive income for the period	—	—	—	—	21,528	21,528
Dividend recognized as distribution (note 13)	—	—	—	—	(17,713)	(17,713)
At April 30, 2025	23,748	49,013	7,558	(11,216)	60,466	129,569
At January 1, 2024	23,369	46,360	2,995	(8,184)	25,115	89,655
Profit and total comprehensive income for the period (unaudited)	—	—	—	—	12,730	12,730
Dividend recognized as distribution (note 13) (unaudited)	—	—	—	—	(4,500)	(4,500)
At April 30, 2024 (unaudited)	23,369	46,360	2,995	(8,184)	33,345	97,885

Notes:

- (i) It represents the statutory reserve of the Company in the People's Republic of China (the "PRC"). Pursuant to applicable PRC regulations, PRC entity is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilized to offset the accumulated losses or to increase the paid-up capital of the relevant entity.
- (ii) The Company was converted into a joint stock company on August 28, 2023. Details are set out in note 27.
- (iii) Other reserves represent registered capital/share capital and share premium subject to repurchase under the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme ("Pre-IPO Employee Incentive Schemes").
- (iv) Represents the recognition of other reserves upon the recognition of liabilities as repurchase obligation under Pre-IPO Employee Incentive Schemes (note 24). This will remain in other reserves until the contingently returnable shares under the Pre-IPO Employee Incentive Schemes are vested and the relevant repurchase obligation is release and credit to other reserves.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
OPERATING ACTIVITIES					
Profit before tax	36,518	40,333	61,744	15,082	25,356
Adjustments for:					
Depreciation of property, plant and equipment	851	979	1,100	369	365
Depreciation of right-of-use assets	2,902	2,831	3,304	964	1,170
Amortization of intangible assets	208	2,044	2,457	827	852
Loss on written off of property, plant and equipment	—	4	8	—	—
Net changes in write-down of inventories	(20)	332	(298)	232	208
Impairment losses under ECL model, net of reversal	(177)	(883)	(747)	(654)	50
Interest income	(376)	(278)	(1,161)	(58)	(464)
Finance costs	1,301	925	872	311	251
Unrealized exchange (gain) loss, net	(2,492)	(289)	570	571	388
Share of result of an associate	210	—	—	—	—
Operating cash flows before movements in working capital	38,925	45,998	67,849	17,644	28,176
Decrease (increase) in inventories	222	(20,143)	(31,202)	(8,604)	(30,554)
Increase in trade and other receivables	(2,365)	(135)	(15,127)	(3,186)	(3,825)
Increase (decrease) in trade and other payables	20,133	(1,911)	60,861	26,321	22,830
Increase (decrease) in contract liabilities	4,835	(535)	7,097	6,053	9,594
(Increase) decrease in amount due from related parties	(3,377)	14,244	—	—	—
Decrease in amount due to related parties	(487)	(2,230)	—	—	—
Cash generated from operations	57,886	35,288	89,478	38,228	26,221
Income tax paid	(220)	(8,423)	(10,536)	(2,487)	(4,470)
NET CASH FROM OPERATING ACTIVITIES	<u>57,666</u>	<u>26,865</u>	<u>78,942</u>	<u>35,741</u>	<u>21,751</u>

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
INVESTING ACTIVITIES					
Additions of property, plant and equipment	(849)	(1,411)	(955)	(33)	(726)
Additions of intangible assets	(217)	(14,941)	(355)	—	(292)
Deposits paid for property, plant and equipment	(186)	(11)	—	—	(231)
Interest received	376	278	1,161	58	464
Placement of pledged bank deposits	—	—	—	—	(50,000)
Repayment from an associate	748	666	167	167	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(128)	(15,419)	18	192	(50,785)
FINANCING ACTIVITIES					
Repayment of bank borrowing	(12,012)	—	—	—	—
Repayment of principal of lease liabilities	(3,376)	(3,743)	(4,234)	(1,382)	(1,541)
Interest paid on bank borrowing	(226)	—	—	—	—
Interest paid on lease liabilities	(1,075)	(925)	(872)	(311)	(251)
Proceed from adoption of Pre-IPO Employee Incentive Schemes	3,839	4,345	3,032	—	—
Dividends paid	—	(22,001)	(16,200)	(4,500)	(6,000)
Issue costs paid	—	—	(4,793)	—	(5,938)
NET CASH USED IN FINANCING ACTIVITIES	(12,850)	(22,324)	(23,067)	(6,193)	(13,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,688	(10,878)	55,893	29,740	(42,764)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	12,085	56,773	45,895	45,895	101,788
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	56,773	45,895	101,788	75,635	59,024

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the PRC on December 13, 2016. The addresses of the registered office and the principal places of business of the Company are set out in the section headed “Corporate Information” to the Prospectus. On August 28, 2023, the Company was converted into a joint stock limited company under the Company Law of the PRC. Its ultimate controlling shareholder is Dr. Hon David Ta-Wei (韓德璋) (“Dr. Hon”).

The Company is engaged in trading of bicycles with Dahon’s brand (“Dahon Bicycles”) and related products, as well as granting license of trademarks. The Group is principally engaged in the manufacturing and trading of Dahon bicycles and related products through sales to distributors, offline direct sales, online direct sales and offshore sales, as well as granting license of trademarks.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards as issued by the HKICPA.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

The statutory financial statements of the Company prepared in accordance with the relevant accounting principles and regulations in the PRC were audited by Shenzhen HuaKai CPA & Co. (Limited Partnership)* 深圳華楷會計師事務所(普通合夥) for the year ended December 31, 2022, Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 for the year ended December 31, 2023 and Shenzhen Huasi Certified Public Accountants* 深圳華思會計師事務所(普通合夥) for the year ended December 31, 2024, respectively.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards as issued by the HKICPA, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standard	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual periods beginning on or after January 1, 2027

* English name is for identification purpose only.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRS Accounting Standards will have no material impact on the Group's financial position and performance in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosure*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements and the directors of the Company anticipate that there will have no material impact on the Group's financial position and performance.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in a subsidiary

Investment in a subsidiary is stated in the statements of financial position of the Company at cost less any identified impairment loss.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 6 and note 25.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment ECL model on financial assets (including trade and other receivables, amounts due from an associate/related parties, pledged bank deposits and cash and cash equivalents) which are subject to impairment assessment under HKFR 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and amounts due from related parties (trade related). The ECL on these assets are assessed individually based on internal credit rating. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and amount due from related parties (trade-related) where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “other gains and losses, net” line item (note 7B) as part of the exchange gain (loss), net.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses.

Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is recognized as an expense in the period in which it is incurred when it results in no internally-generated intangible asset.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefits costs

Payments to defined contribution retirement benefits scheme are recognized as an expenses when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

For shares that are granted under the Pre-IPO Employee Incentive Schemes as detailed in note 31, the amount of fair value of the equity-settled share-based payments determined at the grant date, which taking into consideration paid by the grantees but without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

The Group recognized the consideration paid by the employees for equity-settled share based payment in liabilities due to the repurchase obligation by the Group in the situation that the employees do not meet the vesting conditions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use asset and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Provision of ECL for trade receivables and amount due from related parties (trade related)

Trade receivables and amount due from related parties (trade related) are assessed for ECL individually based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and amount due from related parties (trade related) are disclosed in note 29.

Net realized value of for inventories

The management of the Group estimates the net realizable value based on the estimated selling price in the ordinary course of business for inventories less all estimated costs of completion and costs necessary to make the sale. These estimates are based primarily on the latest transaction prices, current market conditions, and forecast usage and sales volume. In making allowance for obsolete and slow moving inventory items, the Group carries out an inventory review on a product-by-product basis at the end of each reporting period. The Group assesses the net realizable value of inventories as well as the required amount of write-down of inventory provision at the end of each reporting period, which involves significant judgement on determination of the estimated selling prices, costs to completion and costs necessary to make the sale. Where the actual transaction prices are less than expected, a loss may arise.

As at December 31, 2022, 2023 and 2024 and April 30, 2025, the carrying amount of inventories are RMB57,739,000 (net of allowance for inventories of RMB2,141,000), RMB79,354,000 (net of allowance for inventories of RMB2,473,000), RMB112,595,000 (net of allowance for inventories of RMB2,175,000) and RMB143,460,000 (net of allowance for inventories of RMB2,383,000), respectively.

6. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	Year ended December 31,			Four months ended	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Types of goods or services					
Dahon Bicycles and related products					
Dahon Bicycles	237,325	288,588	442,248	123,143	181,513
Accessories, apparel and other related products	13,584	6,776	3,425	945	946
	250,909	295,364	445,673	124,088	182,459
Licensing and royalty income	3,279	4,792	5,047	1,665	2,282
Total	254,188	300,156	450,720	125,753	184,741
Geographical markets					
PRC	198,030	279,821	420,895	114,835	174,336
Japan	20,839	10,444	14,923	5,540	4,577
Offshore (with each individual country contributed less than 10% of revenue)	35,319	9,891	14,902	5,378	5,828
Total	254,188	300,156	450,720	125,753	184,741
Timing of recognition					
A point in time	251,818	297,807	448,119	124,910	183,788
Overtime	2,370	2,349	2,601	843	953
Total	254,188	300,156	450,720	125,753	184,741
Sales Channels					
Domestic sales					
— Sales to distributors	155,778	211,501	307,123	90,255	128,441
— Offline direct sales	28,107	10,251	13,610	3,005	6,022
— Online direct sales	14,145	58,069	100,162	21,575	39,873
Offshore sales	56,158	20,335	29,825	10,918	10,405
Total	254,188	300,156	450,720	125,753	184,741

(ii) *Performance obligations for contracts with customers*

Dahon Bicycles and related products

The Group manufactures and sells Dahon Bicycles and related products to distributors, to customers through offline and online direct sales and offshore. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

Domestic — Sales to distributors

Revenue is recognized at a point in time upon the receipts of the goods by the distributors. Following receipts of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Domestic — Offline direct sales

Revenue is recognized at a point in time when control of the goods has transferred, upon the receipt of the goods.

Domestic — Online direct sales

For sales on the online e-commerce platforms (JD.com, Tmall and Douyin), revenue is recognized at a point in time upon the receipts of the goods by the customers.

Offshore

For sales channel in offshore, it consisted of sales to distributors and online direct sales. For sales to distributors, revenue is recognized at a point in time when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery). Following delivery of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. For online direct sales (Amazon and Walmart), revenue is recognized at a point in time upon the e-commerce platforms has shown that the corresponding goods have been shipped to the customer's specific location (delivery) by the logistic companies appointed by the e-commerce platform.

Sales returns

For domestic sales to distributors, domestic offline direct sales and offshore sales to distributors, based on the Group's sales contracts with the customers, they can only return or request for refund if the product delivered to them does not meet the pre-specified quality requirement; otherwise, the Group does not accept product returns or exchanges without the management's consent.

For domestic online direct sales, in accordance with relevant rules and regulations, all the e-commerce platforms has imposed a seven-day return/exchange policy, allowing consumers to return or exchange products within seven days after the delivery for no cause, and the Group follow by the return or exchange policies imposed by the e-commerce platforms.

Licensing and royalty income

The Group receives licensing and royalty income from granting license of trademarks. The Group charges its licensee: i) an upfront licensing fee upon the signing of contract, ii) a fixed rate royalty fee based on ex-factory price of licensing products for domestic licensee, and iii) a fixed rate royalty fee based on subsequent sale of licensing products for offshore licensee. For the upfront licensing fee, it is recognized as revenue over the licensing period. For the royalty fee based on the ex-factory price of licensing products for domestic licensee, it is recognized at a point in time when the licensee obtained the anti-counterfeiting label from the Group that will be used on the licensing product. For the royalty fee based on subsequent sale of licensing products for offshore licensee, it is recognized at a point in time when subsequent sale of licensing products from licensee occurs over the licensing period. For royalty fee based on subsequent sale of licensing products for offshore licensee, the credit term is normally 30 days after each quarter during the licensing period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Dahon Bicycles and related products are delivered within a period of less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Contracts for licensing income typically have a 1 to 10-year non-cancellable term in which the Group has received the upfront licensing fee from the licensee.

The transaction price allocated to the remaining performance obligations of licensing (unsatisfied or partially unsatisfied) as at December 31, 2022, 2023 and 2024 and April 30, 2025 and the expected timing of recognizing revenue are as follows:

	At December 31,		At April 30,	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	2,178	2,439	2,634	2,361
More than one year but not more than two years	2,088	2,219	1,919	1,453
More than two years	<u>7,297</u>	<u>5,292</u>	<u>3,522</u>	<u>3,573</u>
	<u>11,563</u>	<u>9,950</u>	<u>8,075</u>	<u>7,387</u>

Segment information

Information reported to the chief executive of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and assessment of performance, focuses specifically on the revenue analysis by principal categories of the Group's business. The principal categories of the Group's business are manufacturing and trading of Dahon Bicycles and related products, and granting license of trademarks. No other discrete financial information is regularly provided to the CODM for the purposes of resources allocation and performance assessment other than the Group's results and financial performance as a whole. Accordingly, only entity-wide disclosures, including major customers and geographical information are presented.

Geographical information

The Group's operations are located in the PRC. All of Group's non-current assets are located in the PRC. Information about the Group's revenue from external customers by geographical location of registration are set out in note 6(i) above.

Information about major customers

Revenue from customers of the corresponding year/period contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Customer A	30,622	47,913	70,279	21,506	27,156

7A. OTHER INCOME

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest income	376	278	1,161	58	464
Government subsidies (Note)	558	1,559	1,262	363	66
Others	46	48	264	17	5
	980	1,885	2,687	438	535

Note: The amount mainly represents various subsidies received from the PRC government authorities. Unconditional government grants are recognized in profit and loss when received.

7B. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Exchange gain (loss), net	2,492	289	(570)	(578)	(388)
Others	519	(9)	(626)	29	126
	3,011	280	(1,196)	(549)	(262)

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Impairment loss recognized (reversed) on:					
— Trade receivables	(242)	(883)	(747)	(654)	50
— Amount due from related parties	65	—	—	—	—
	(177)	(883)	(747)	(654)	50

9. FINANCE COSTS

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest on bank borrowings	226	—	—	—	—
Interest on lease liabilities	1,075	925	872	311	251
	<u>1,301</u>	<u>925</u>	<u>872</u>	<u>311</u>	<u>251</u>

10. INCOME TAX EXPENSE

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
PRC Enterprise Income Tax — current tax	5,447	6,724	9,781	2,457	4,733
Deferred tax (credit) charge (note 19)	(363)	(1,241)	(336)	(105)	(905)
	<u>5,084</u>	<u>5,483</u>	<u>9,445</u>	<u>2,352</u>	<u>3,828</u>

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% during the Track Record Period, except for group entities which entitled preferential tax rate as explained below.

Pursuant to relevant laws and regulations in the PRC, the Company is granted tax incentives for being qualified as a High and New Technology Enterprise and is entitled to a concessionary tax rate of 15% for 3 years from 2021 to 2023. The Company has renewed as a High and New Technology Enterprise in the year of 2024 and is entitled to a concessionary tax rate of 15% for 3 years from 2024 to 2026.

Pursuant to relevant laws and regulations in the PRC, SZ Dahon (as defined in note 34) and SZ Meidahan (as defined in note 34) are eligible as a Small Low-profit Enterprise (小型微利企業) and are subject to preferential tax treatments. From January 1, 2022 to December 31, 2022, for Small Low-profit Enterprises, the portion of less than RMB1.0 million of the annual taxable income, shall be reduced to 12.5% of taxable income and subject to income tax at a rate of 20%. The portion of annual tax income exceeding RMB1.0 million but not exceeding in RMB3.0 million shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%. From January 1, 2023 to December 31, 2025, for Small Low-profit Enterprises, the portion of less than RMB3.0 million of the annual tax income shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%.

Pursuant to relevant laws and regulations in the PRC, the Company is entitled to claim an additional 100% of the research and development costs incurred as tax deductible expenses in determining its tax assessable profits.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit before tax	36,518	40,333	61,744	15,082	25,356
Tax at the statutory PRC EIT rate of 25%	9,130	10,083	15,436	3,771	6,339
Tax effect of expenses not deductible for tax purpose	381	49	457	267	178
Additional deduction of research and development expenses	(843)	(766)	(1,295)	(475)	(665)
Income tax on preferential tax rates	(3,573)	(3,873)	(5,153)	(1,211)	(2,024)
Effect of different tax rate of subsidiary operating in other jurisdiction	(11)	(10)	—	—	—
	<u>5,084</u>	<u>5,483</u>	<u>9,445</u>	<u>2,352</u>	<u>3,828</u>

11. PROFIT FOR THE YEAR/PERIOD

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit for the year/period is arrived at after charging (crediting):					
Auditor's remuneration	36	40	55	18	18
Listing expenses	—	—	66	—	154
Cost of inventories recognized as expense	176,256	198,662	301,972	84,661	123,758
Including: (reversal of write-down) write-down of inventories	(20)	332	(298)	232	208
Depreciation of property, plant and equipment	1,388	1,562	1,670	557	508
Depreciation of right-of-use assets	4,043	4,052	4,475	1,476	1,546
Amortization of intangible assets	208	2,044	2,457	827	852
Total depreciation and amortization	5,639	7,658	8,602	2,860	2,906
Capitalized in inventories	(1,678)	(1,804)	(1,741)	(700)	(519)
	<u>3,961</u>	<u>5,854</u>	<u>6,861</u>	<u>2,160</u>	<u>2,387</u>
Directors' emoluments (note 12)	3,749	3,410	5,090	1,688	1,236
Employee benefits expenses (excluding directors' emoluments)	38,656	46,568	58,923	21,405	23,388
Capitalized in inventories	(12,647)	(12,276)	(13,514)	(5,026)	(4,313)
	<u>26,009</u>	<u>34,292</u>	<u>45,409</u>	<u>16,379</u>	<u>19,075</u>

12. DIRECTORS' EMOLUMENTS AND EMOLUMENTS OF EMPLOYEES

Directors' emoluments

The emoluments paid or payable to the directors of the Company (including emoluments for services as employee/directors/supervisors of the Group prior to becoming the directors/supervisors of the Company) during the Track Record Period disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance were as follows:

	Directors' fees <i>RMB'000</i>	Salaries and other benefits <i>RMB'000</i>	Performance related incentive payments <i>RMB'000</i> <i>(Notes (i))</i>	Contributions to retirement benefit schemes <i>RMB'000</i>	Total emoluments <i>RMB'000</i>
For the year ended					
31 December 2022					
Executive directors					
Dr. Hon (<i>Notes (ii)</i>)	—	733	587	—	1,320
Ms. Li Guiyu	—	246	217	26	489
Ms. Liu Guocun (<i>Notes (ii)</i>)	—	158	205	17	380
Mr. Ma Zhusen (<i>Notes (ii) and (iii)</i>)	—	79	—	—	79
Ms. Huo Min (<i>Notes (ii) and (iii)</i>)	—	120	189	12	321
Ms. Lee Hsiu-Fen (<i>Note (iv)</i>)	—	339	39	—	378
	—	1,675	1,237	55	2,967
Supervisors					
Ms. Huang Siqing (<i>Note (vi)</i>)	—	217	175	13	405
Mr. Zhu Guocheng (<i>Note (vi)</i>)	—	135	63	9	207
Mr. Kuang Wenbiao (<i>Note (vi)</i>)	—	104	59	7	170
	—	456	297	29	782
	—	2,131	1,534	84	3,749

	Directors' fees <i>RMB'000</i>	Salaries and other benefits <i>RMB'000</i>	Performance related incentive payments <i>RMB'000</i> <i>(Notes (i))</i>	Contributions to retirement benefit schemes <i>RMB'000</i>	Total emoluments <i>RMB'000</i>
For the year ended					
December 31, 2023					
Executive directors					
Dr. Hon					
<i>(Note (ii))</i>	4	783	229	—	1,016
Ms. Li Guiyu	4	282	204	32	522
Ms. Liu Guocun					
<i>(Note (ii))</i>	4	187	182	23	396
Mr. Ma Zhusen					
<i>(Notes (ii) and (iii))</i>	4	79	—	—	83
Ms. Huo Min					
<i>(Notes (ii) and (iii))</i>	4	137	67	12	220
Ms. Lee Hsiu-Fen					
<i>(Note (iv))</i>	—	329	94	—	423
	<u>20</u>	<u>1,797</u>	<u>776</u>	<u>67</u>	<u>2,660</u>
Supervisors					
Ms. Huang Siqing					
<i>(Note (vi))</i>	—	226	69	13	308
Mr. Zhu Guocheng					
<i>(Note (vi))</i>	—	167	73	11	251
Mr. Kuang Wenbiao					
<i>(Note (vi))</i>	—	112	72	7	191
	<u>—</u>	<u>505</u>	<u>214</u>	<u>31</u>	<u>750</u>
	<u>20</u>	<u>2,302</u>	<u>990</u>	<u>98</u>	<u>3,410</u>

	Directors' fees RMB'000	Salaries and other benefits RMB'000	Performance related incentive payments RMB'000 (Notes (i))	Contributions to retirement benefit schemes RMB'000	Total emoluments RMB'000
For the year ended					
December 31, 2024					
Executive directors					
Dr. Hon					
(Note (ii))	12	790	1,290	—	2,092
Ms. Li Guiyu	12	293	183	42	530
Ms. Liu Guocun					
(Note (ii))	12	255	289	36	592
Mr. Ma Zhusen					
(Notes (ii) and (iii))	12	79	—	—	91
Ms. Huo Min					
(Notes (ii) and (iii))	12	137	100	16	265
Ms. Lee Hsiu-Fen					
(Note (iv))	12	330	171	—	513
	<u>72</u>	<u>1,884</u>	<u>2,033</u>	<u>94</u>	<u>4,083</u>
Supervisors					
Ms. Huang Siqing					
(Note (vi))	12	242	109	21	384
Mr. Zhu Guocheng					
(Note (vi))	12	173	152	20	357
Mr. Kuang Wenbiao					
(Note (vi))	12	109	134	11	266
	<u>36</u>	<u>524</u>	<u>395</u>	<u>52</u>	<u>1,007</u>
	<u>108</u>	<u>2,408</u>	<u>2,428</u>	<u>146</u>	<u>5,090</u>

	Directors' fees <i>RMB'000</i>	Salaries and other benefits <i>RMB'000</i>	Performance related incentive payments <i>RMB'000</i> <i>(Notes (i))</i>	Contributions to retirement benefit schemes <i>RMB'000</i>	Total emoluments <i>RMB'000</i>
For the four months ended April 30, 2024 (unaudited)					
Executive directors					
Dr. Hon <i>(Note (ii))</i>	4	263	482	—	749
Ms. Li Guiyu	4	98	53	11	166
Ms. Liu Guocun <i>(Note (ii))</i>	4	66	100	8	178
Mr. Ma Zhusen <i>(Notes (ii) and (iii))</i>	4	26	—	—	30
Ms. Huo Min <i>(Notes (ii) and (iii))</i>	4	46	31	4	85
Ms. Lee Hsiu-Fen <i>(Note (iv))</i>	4	110	75	—	189
	<u>24</u>	<u>609</u>	<u>741</u>	<u>23</u>	<u>1,397</u>
Supervisors					
Ms. Huang Siqing <i>(Note (vi))</i>	4	75	20	4	103
Mr. Zhu Guocheng <i>(Note (vi))</i>	4	58	39	4	105
Mr. Kuang Wenbiao <i>(Note (vi))</i>	4	36	40	3	83
	<u>12</u>	<u>169</u>	<u>99</u>	<u>11</u>	<u>291</u>
	<u>36</u>	<u>778</u>	<u>840</u>	<u>34</u>	<u>1,688</u>

	Directors' fees RMB'000	Salaries and other benefits RMB'000	Performance related incentive payments RMB'000 (Notes (i))	Contributions to retirement benefit schemes RMB'000	Total emoluments RMB'000
For the four months ended April 30, 2025					
Executive directors					
Dr. Hon (Note (ii))	4	263	102	—	369
Ms. Li Guiyu	4	101	20	22	147
Ms. Liu Guocun (Note (ii))	4	85	96	19	204
Mr. Ma Zhusen (Notes (ii) and (iii))	1	2	—	—	3
Ms. Huo Min (Notes (ii) and (iii))	1	4	1	2	8
Ms. Lee Hsiu-Fen (Note (iv))	4	112	38	—	154
	<u>18</u>	<u>567</u>	<u>257</u>	<u>43</u>	<u>885</u>
Supervisors					
Ms. Huang Siqing (Note (vi))	4	83	53	15	155
Mr. Zhu Guocheng (Note (vi))	4	37	17	7	65
Mr. Kuang Wenbiao (Note (vi))	4	72	41	14	131
	<u>12</u>	<u>192</u>	<u>111</u>	<u>36</u>	<u>351</u>
	<u>30</u>	<u>759</u>	<u>368</u>	<u>79</u>	<u>1,236</u>

Notes:

- (i) Performance related incentive payments were determined having regard to the performance of directors/supervisors and the Group's operating results.
- (ii) Dr. Hon, Ms. Liu Guocun, Mr. Ma Zhusen and Ms. Huo Min were appointed as an executive director on August 16, 2023.
- (iii) Mr. Ma Zhusen and Ms. Huo Min resigned as an executive director on January 10, 2025.
- (iv) Ms. Lee Hsin-Fen was appointed as an executive director on January 10, 2025.
- (v) Dr. Lee Lai Sun Peter, Mr. Liu Xuequan and Mr. Zhao Gensheng were appointed as an independent non-executive director on January 10, 2025 and effective from the listing of the Company.
- (vi) Ms. Huang Siqing, Mr. Zhu Guocheng and Mr. Kuang Wenbiao were appointed as a supervisor on August 16, 2023.

13. DIVIDENDS

For the year end December 31, 2022

On December 30, 2022, the Company declared dividends of an aggregate amount of RMB23,535,000 in respect of the financial year. The rates of dividend on each class of shares cannot be disclosed as there is only registered capital as of December 31, 2022. The amount of RMB23,535,000 was paid during the year ended December 31, 2023. The amount of RMB22,001,000 was recognized as dividend distributed to the shareholder and the amount of RMB1,534,000 was recognized in profit or loss for the 2022 Eligible Participants (as defined in note 31).

For the year end December 31, 2023

No dividend was paid or proposed by the Company and its subsidiaries in respect of the year ended December 31, 2023.

For the year end December 31, 2024

On January 18, 2024 and May 17, 2024, the Company declared dividends of RMB0.21 per share, in aggregate RMB5,000,000 and RMB0.56 per share, in aggregate RMB13,000,000, respectively, to its shareholders. The amount of RMB18,000,000 was paid during the year ended December 31, 2024. The amount of RMB16,200,000 was recognized as dividend distributed to the shareholder and the amount of RMB1,800,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme.

For the four months ended April 30, 2024 (unaudited)

On January 18, 2024, the Company declared dividends of RMB0.21 per share, in aggregate RMB5,000,000 to its shareholders. The amount of RMB5,000,000 was paid during the four months period ended April 30, 2024. The amount of RMB4,500,000 was recognized as dividend distributed to the shareholder and the amount of RMB500,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme.

For the four months ended April 30, 2025

On April 23, 2025, the Company declared dividends of RMB0.84 per share, in aggregate RMB20,000,000 to its shareholders. The amount of RMB6,000,000 was paid during the four months period ended April 30, 2025. The amount of RMB17,713,000 was recognized as dividend distributed to the shareholder and the amount of RMB2,287,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme. The amount of dividends payable as at April 30, 2025 is RMB11,713,000.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Earnings figures:					
Profit for the year/period attributable to the owners of the Company for the purpose of basic and diluted earnings per share	<u>31,434</u>	<u>34,850</u>	<u>52,299</u>	<u>12,730</u>	<u>21,528</u>
	Year ended December 31,			Four months ended	
	2022	2023	2024	April 30,	2025
				2024	
				(unaudited)	
No. of shares:					
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	21,032,165	21,032,165	21,032,165	21,032,165	21,032,165
Effect of dilutive potential ordinary shares	<u>16,385</u>	<u>807,207</u>	<u>1,285,429</u>	<u>1,083,903</u>	<u>1,479,987</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>21,048,550</u>	<u>21,839,372</u>	<u>22,317,594</u>	<u>22,116,068</u>	<u>22,512,152</u>

Note: Outstanding ordinary shares that are contingently returnable, representing shares under the Pre-IPO Employee Incentive Scheme as detailed in note 31, which the Company will repurchase the shares granted to the Eligible Participants (as defined in note 31), when the Eligible Participants fail to satisfy specified vesting conditions, are not treated as outstanding and are excluded from the calculation of basic earnings per share for the years ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 (unaudited) and 2025 until the date the shares are no longer subject to recall.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined on the assumption that the conversion into a joint stock company as disclosed in note 27 has been effective since January 1, 2022.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
COST					
At January 1, 2022	2,710	1,750	1,255	670	6,385
Additions	11	22	816	—	849
At December 31, 2022	2,721	1,772	2,071	670	7,234
Additions	—	246	682	483	1,411
Written off	—	(14)	(2)	—	(16)
At December 31, 2023	2,721	2,004	2,751	1,153	8,629
Additions	121	423	565	—	1,109
Written off	—	—	—	(10)	(10)
At December 31, 2024	2,842	2,427	3,316	1,143	9,728
Additions	106	191	189	240	726
Written off	—	(12)	—	—	(12)
At April 30, 2025	2,948	2,606	3,505	1,383	10,442
DEPRECIATION					
At January 1, 2022	819	762	450	59	2,090
Provided for the year	611	316	340	121	1,388
At December 31, 2022	1,430	1,078	790	180	3,478
Provided for the year	452	317	611	182	1,562
Eliminated on written off	—	(10)	(2)	—	(12)
At December 31, 2023	1,882	1,385	1,399	362	5,028
Provided for the year	468	300	691	211	1,670
Eliminated on written off	—	—	—	(2)	(2)
At December 31, 2024	2,350	1,685	2,090	571	6,696
Provided for the period	162	58	214	74	508
Eliminated on written off	—	(12)	—	—	(12)
At April 30, 2025	2,512	1,731	2,304	645	7,192
CARRYING VALUES					
At December 31, 2022	1,291	694	1,281	490	3,756
At December 31, 2023	839	619	1,352	791	3,601
At December 31, 2024	492	742	1,226	572	3,032
At April 30, 2025	436	875	1,201	738	3,250

The Company

	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
COST					
At January 1, 2022	1,069	592	847	607	3,115
Additions	11	—	623	—	634
At December 31, 2022	1,080	592	1,470	607	3,749
Additions	—	12	420	483	915
At December 31, 2023	1,080	604	1,890	1,090	4,664
Additions	121	233	413	—	767
Written off	—	—	—	(10)	(10)
At December 31, 2024	1,201	837	2,303	1,080	5,421
Additions	19	16	178	238	451
Written off	—	(12)	—	—	(12)
At April 30, 2025	1,220	841	2,481	1,318	5,860
DEPRECIATION					
At January 1, 2022	231	372	338	58	999
Provided for the year	217	78	224	115	634
At December 31, 2022	448	450	562	173	1,633
Provided for the year	218	74	475	176	943
At December 31, 2023	666	524	1,037	349	2,576
Provided for the year	238	38	507	205	988
Eliminated on written off	—	—	—	(2)	(2)
At December 31, 2024	904	562	1,544	552	3,562
Provided for the period	78	13	152	72	315
Eliminated on written off	—	(12)	—	—	(12)
At April 30, 2025	982	563	1,696	624	3,865
CARRYING VALUES					
At December 31, 2022	632	142	908	434	2,116
At December 31, 2023	414	80	853	741	2,088
At December 31, 2024	297	275	759	528	1,859
At April 30, 2025	238	278	785	694	1,995

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	10%–20% or over the lease term, whichever is shorter
Plant and machinery	10%–33%
Furniture, fixtures and equipment	10%–33%
Motor vehicles	20%–33%

16. RIGHT-OF-USE ASSETS

The Group

	Leased properties <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Total <i>RMB'000</i>
As at December 31, 2022			
Carrying amount	19,410	—	19,410
As at December 31, 2023			
Carrying amount	15,368	—	15,368
As at December 31, 2024			
Carrying amount	14,154	—	14,154
As at April 30, 2025			
Carrying amount	13,545	—	13,545
For the year ended December 31, 2022			
Depreciation charge	<u>3,968</u>	<u>75</u>	<u>4,043</u>
For the year ended December 31, 2023			
Depreciation charge	<u>4,052</u>	<u>—</u>	<u>4,052</u>
For the year ended December 31, 2024			
Depreciation charge	<u>4,475</u>	<u>—</u>	<u>4,475</u>
For the four months ended April 30, 2024 (unaudited)			
Depreciation charge	<u>1,476</u>	<u>—</u>	<u>1,476</u>
For the four months ended April 30, 2025			
Depreciation charge	<u>1,546</u>	<u>—</u>	<u>1,546</u>
	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			Four months ended April 30, 2025
			<i>RMB'000</i>
Total cash outflow for leases	<u>4,451</u>	<u>4,668</u>	<u>5,106</u>
Additions of right-of-use assets	<u>792</u>	<u>10</u>	<u>3,261</u>

The Company

	Leased properties RMB'000	Motor vehicles RMB'000	Total RMB'000
As at December 31, 2022			
Carrying amount	5,777	—	5,777
As at December 31, 2023			
Carrying amount	4,517	—	4,517
As at December 31, 2024			
Carrying amount	3,581	—	3,581
As at April 30, 2025			
Carrying amount	4,033	—	4,033
For the year ended December 31, 2022			
Depreciation charge	<u>1,260</u>	<u>75</u>	<u>1,335</u>
For the year ended December 31, 2023			
Depreciation charge	<u>1,260</u>	<u>—</u>	<u>1,260</u>
For the year ended December 31, 2024			
Depreciation charge	<u>1,297</u>	<u>—</u>	<u>1,297</u>
For the four months ended April 30, 2024 (unaudited)			
Depreciation charge	<u>569</u>	<u>—</u>	<u>569</u>
For the four months ended April 30, 2025			
Depreciation charge	<u>485</u>	<u>—</u>	<u>485</u>

The Group and the Company leases various offices, warehouses, and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 9 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company applies the definition of a contract and determines the period for which the contract is enforceable.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

17. INVESTMENT IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE

The Group and the Company

	At December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
Cost of investment in an associate	210	210	210	210
Share of post-acquisition losses	(210)	(210)	(210)	(210)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The Group's associate is accounted for using the equity method in the Historical Financial Information. Details of the Group's associate as at the end of each reporting period is as follows:

Name of entity	Place of establishment/ operations	Proportion of ownership interest held by the Group			Proportion of voting right held by the Group			Principal activities	
		At December 31,			At December 31,			At	
		2022	2023	2024	2022	2023	2024	2025	
		%	%	%	%	%	%	%	
東莞市鑫大航運動器材科技 有限公司 Dongguan Xindahang Sports Equipment Technology Co., Ltd.* ("Xindahang")	PRC	35	35	35	35	35	35	35	Trading of bicycles and related products (Note)

* English translated name for identification purposes only

Note: Xindahang has become dormant since December 31, 2023.

	At December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
The Group's share of loss	(210)	—	—	—
The unrecognized share of loss for the year/ period	105	220	—	—
Cumulative unrecognized share of loss	105	325	325	325

Amount due from an associate

The amount due from an associate is non-trade nature, secured by the property, plant and equipment of Xindahang, carried interest at 4% per annum and repayable on a quarterly basis until January 2024. There has not been any significant changes in the quality of the collateral. The Group has not recognized a loss allowance for the amount due from an associate as a result of the collaterals. The amount was fully repaid during the year ended December 31, 2024.

18. INTANGIBLE ASSETS

The Group

	Software RMB'000	Trademarks and patent rights RMB'000	Total RMB'000
COST			
At January 1, 2022	151	618	769
Additions	<u>217</u>	<u>—</u>	<u>217</u>
At December 31, 2022	368	618	986
Additions	<u>538</u>	<u>14,403</u>	<u>14,941</u>
At December 31, 2023	906	15,021	15,927
Additions	<u>355</u>	<u>—</u>	<u>355</u>
At December 31, 2024	1,261	15,021	16,282
Additions	<u>292</u>	<u>—</u>	<u>292</u>
At April 30, 2025	<u>1,553</u>	<u>15,021</u>	<u>16,574</u>
AMORTIZATION			
At January 1, 2022	25	105	130
Provided for the year	<u>68</u>	<u>140</u>	<u>208</u>
At December 31, 2022	93	245	338
Provided for the year	<u>152</u>	<u>1,892</u>	<u>2,044</u>
At December 31, 2023	245	2,137	2,382
Provided for the year	<u>265</u>	<u>2,192</u>	<u>2,457</u>
At December 31, 2024	510	4,329	4,839
Provided for the period	<u>129</u>	<u>723</u>	<u>852</u>
At April 30, 2025	<u>639</u>	<u>5,052</u>	<u>5,691</u>
CARRYING VALUES			
At December 31, 2022	<u>275</u>	<u>373</u>	<u>648</u>
At December 31, 2023	<u>661</u>	<u>12,884</u>	<u>13,545</u>
At December 31, 2024	<u>751</u>	<u>10,692</u>	<u>11,443</u>
At April 30, 2025	<u>914</u>	<u>9,969</u>	<u>10,883</u>

The Company

	Software RMB'000	Trademarks and patent rights RMB'000	Total RMB'000
COST			
At January 1, 2022	151	618	769
Additions	<u>217</u>	<u>—</u>	<u>217</u>
At December 31, 2022	368	618	986
Additions	<u>538</u>	<u>14,403</u>	<u>14,941</u>
At December 31, 2023	906	15,021	15,927
Additions	<u>311</u>	<u>—</u>	<u>311</u>
At December 31, 2024	1,217	15,021	16,238
Additions	<u>292</u>	<u>—</u>	<u>292</u>
At April 30, 2025	<u>1,509</u>	<u>15,021</u>	<u>16,530</u>
AMORTIZATION			
At January 1, 2022	25	105	130
Provided for the year	<u>68</u>	<u>140</u>	<u>208</u>
At December 31, 2022	93	245	338
Provided for the year	<u>152</u>	<u>1,892</u>	<u>2,044</u>
At December 31, 2023	245	2,137	2,382
Provided for the year	<u>262</u>	<u>2,192</u>	<u>2,454</u>
At December 31, 2024	507	4,329	4,836
Provided for the period	<u>127</u>	<u>723</u>	<u>850</u>
At April 30, 2025	<u>634</u>	<u>5,052</u>	<u>5,686</u>
CARRYING VALUES			
At December 31, 2022	<u>275</u>	<u>373</u>	<u>648</u>
At December 31, 2023	<u>661</u>	<u>12,884</u>	<u>13,545</u>
At December 31, 2024	<u>710</u>	<u>10,692</u>	<u>11,402</u>
At April 30, 2025	<u>875</u>	<u>9,969</u>	<u>10,844</u>

The above intangibles assets have finite useful lives and are amortized on a straight-line basis over the following periods:

Software	3–10 years
Trademarks and patent rights	3–10 years

19. DEFERRED TAX ASSETS (LIABILITIES)

The Group

	Write-down of inventories <i>RMB'000</i>	Unrealized profit <i>RMB'000</i>	Impairment losses under ECL <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Accrued staff cost <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2022	493	106	455	(4,954)	5,150	392	1,642
(Charge) credit to profit or loss	<u>(14)</u>	<u>20</u>	<u>(49)</u>	<u>830</u>	<u>(695)</u>	<u>271</u>	<u>363</u>
At December 31, 2022	479	126	406	(4,124)	4,455	663	2,005
Credit (charge) to profit or loss	<u>110</u>	<u>888</u>	<u>(87)</u>	<u>862</u>	<u>(805)</u>	<u>273</u>	<u>1,241</u>
At December 31, 2023	589	1,014	319	(3,262)	3,650	936	3,246
(Charge) credit to profit or loss	<u>(72)</u>	<u>223</u>	<u>(159)</u>	<u>183</u>	<u>(127)</u>	<u>288</u>	<u>336</u>
At December 31, 2024	517	1,237	160	(3,079)	3,523	1,224	3,582
Credit (charge) to profit or loss	<u>47</u>	<u>527</u>	<u>13</u>	<u>189</u>	<u>(185)</u>	<u>314</u>	<u>905</u>
At April 30, 2025	<u>564</u>	<u>1,764</u>	<u>173</u>	<u>(2,890)</u>	<u>3,338</u>	<u>1,538</u>	<u>4,487</u>

The Company

	Write-down of inventories <i>RMB'000</i>	Impairment losses under ECL <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Accrued staff cost <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2022	71	272	(1,067)	1,115	316	707
Credit (charge) to profit or loss	<u>12</u>	<u>(22)</u>	<u>200</u>	<u>(164)</u>	<u>138</u>	<u>164</u>
At December 31, 2022	83	250	(867)	951	454	871
(Charge) credit to profit or loss	<u>(39)</u>	<u>(156)</u>	<u>189</u>	<u>(171)</u>	<u>195</u>	<u>18</u>
At December 31, 2023	44	94	(678)	780	649	889
(Charge) credit to profit or loss	<u>(4)</u>	<u>(41)</u>	<u>141</u>	<u>(137)</u>	<u>224</u>	<u>183</u>
At December 31, 2024	40	53	(537)	643	873	1,072
Credit (charge) to profit or loss	<u>7</u>	<u>(3)</u>	<u>(68)</u>	<u>64</u>	<u>69</u>	<u>69</u>
At April 30, 2025	<u>47</u>	<u>50</u>	<u>(605)</u>	<u>707</u>	<u>942</u>	<u>1,141</u>

20. INVENTORIES

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	19,673	25,773	33,595	47,213	1,508	863	1,512	936
Work in progress	13,526	12,115	12,377	18,755	—	—	—	—
Finished goods	24,540	41,466	66,623	77,492	11,516	27,554	32,469	42,512
	<u>57,739</u>	<u>79,354</u>	<u>112,595</u>	<u>143,460</u>	<u>13,024</u>	<u>28,417</u>	<u>33,981</u>	<u>43,448</u>

21. TRADE AND OTHER RECEIVABLES

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers	9,367	17,781	14,524	17,368	2,017	10,475	9,434	9,140
Receivables from an original equipment manufacturer ("OEM") supplier	4,508	5,811	4,842	4,870	—	—	—	—
Less: Allowances for credit losses	(697)	(1,435)	(688)	(738)	(43)	(629)	(352)	(330)
	<u>13,178</u>	<u>22,157</u>	<u>18,678</u>	<u>21,500</u>	<u>1,974</u>	<u>9,846</u>	<u>9,082</u>	<u>8,810</u>
Value-added tax recoverable	4,696	5,062	13,526	15,657	1,190	751	3,165	2,842
Other receivables and deposits	1,681	1,810	2,736	3,621	751	506	1,572	2,254
Prepayments to suppliers	3,400	1,103	8,354	7,943	136	63	269	21
Other prepayments	1,032	1,182	3,324	5,973	813	1,023	1,196	3,763
Deferred issue costs	—	—	8,062	12,725	—	—	8,062	12,725
Other receivables, deposits and prepayments	<u>10,809</u>	<u>9,157</u>	<u>36,002</u>	<u>45,919</u>	<u>2,890</u>	<u>2,343</u>	<u>14,264</u>	<u>21,605</u>
	<u>23,987</u>	<u>31,314</u>	<u>54,680</u>	<u>67,419</u>	<u>4,864</u>	<u>12,189</u>	<u>23,346</u>	<u>30,415</u>

As at January 1, 2022, trade receivables from contracts with customers (net of allowances for credit losses) amounted to RMB10,429,000.

The following is an ageing analysis of trade receivables presented based on invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
0-30 days	3,075	4,269	7,327	10,536	1,473	494	2,789	2,670
31-60 days	4,054	2,584	1,540	1,461	—	2,574	1,499	1,438
61-90 days	1,983	360	307	470	512	—	282	417
Over 90 days (note)	<u>4,763</u>	<u>16,379</u>	<u>10,192</u>	<u>9,771</u>	<u>32</u>	<u>7,407</u>	<u>4,864</u>	<u>4,615</u>
	<u>13,875</u>	<u>23,592</u>	<u>19,366</u>	<u>22,238</u>	<u>2,017</u>	<u>10,475</u>	<u>9,434</u>	<u>9,140</u>

Note:

As at December 31, 2022, 2023 and 2024 and April 30, 2025, including in the over 90 days ageing analysis consisted of trade receivable from an OEM supplier amounted to RMB4,508,000, RMB5,811,000, RMB4,842,000 and RMB4,870,000, respectively. The trade receivable from an OEM supplier represents a receivable from selling raw materials to the OEM supplier for the manufacturing of Dahon Bicycles, where the relevant sales was net-off with cost of sales during the year ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 (unaudited) and 2025.

The Group allows a credit term from 0 to 60 days. As at December 31, 2022, 2023 and 2024 and April 30, 2025, included in the Group's and the Company's trade receivables balance are debtors with gross carrying amount of RMB12,558,000, RMB18,405,000, RMB17,967,000 and RMB19,463,000, respectively; RMB776,000, RMB7,904,000, RMB8,039,000 and RMB6,365,000, respectively, which are past due as at the reporting date. Out of the past due balances of the Group and the Company, RMB4,763,000, RMB16,379,000, RMB10,192,000 and RMB9,771,000, respectively; RMB32,000, RMB7,407,000, RMB4,864,000 and RMB4,615,000, respectively, has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered recoverable due to the management's historical experience on the settlement pattern from these debtors.

Details of impairment assessment of trade and other receivables are set out in note 29.

22. AMOUNT(S) DUE FROM (TO) RELATED PARTIES

Amounts due from related parties

The Group

	At January 1, 2022 RMB'000	At December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	At April 30, 2025 RMB'000
Trade in nature					
Dahon North America Inc. ("DNA") (Notes i, ii and iii)	13,325	19,199	—	—	—
深圳市騎吧運動科技有限公司 Shenzhen Riding Sports Technology Co., Ltd* ("SZ Riding Sports") (Notes i and iv)	1,980	2,686	—	—	—
DAHON GLOBAL CO., LTD ("Dahon Global") (Notes i and ii)	711	—	—	—	—
	16,016	21,885	—	—	—
Less: Allowances for credit losses	(1,556)	(1,621)	—	—	—
	<u>14,460</u>	<u>20,264</u>	<u>—</u>	<u>—</u>	<u>—</u>

* English translated name for identification purpose only

Notes:

- (i) The entities are controlled by Dr. Hon. The amounts are unsecured, interest-free and repayable on demand.
- (ii) These entities were not controlled by Dr. Hon since February 28, 2023 as they were sold by Dr. Hon to independent third parties during the year ended December 31, 2023.
- (iii) During the year ended December 31, 2023, there were settlement of balances from DNA and the remaining net carrying amount of RMB6,598,000 was reclassified to trade and other receivables as at December 31, 2023.
- (iv) The entity was de-registered on May 21, 2024.

The Company

	At January 1, 2022 RMB'000	At December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	At April 30, 2025 RMB'000
Trade in nature					
DNA	13,325	19,199	—	—	—
SZ Riding Sports	<u>3</u>	<u>2,686</u>	<u>—</u>	<u>—</u>	<u>—</u>
	13,328	21,885	—	—	—
Less: Allowances for credit losses	<u>(1,540)</u>	<u>(1,621)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>11,788</u>	<u>20,264</u>	<u>—</u>	<u>—</u>	<u>—</u>

The following is an ageing analysis of amount due from related parties presented based on invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
0-30 days	10	—	—	—	10	—	—	—
31-60 days	—	—	—	—	—	—	—	—
61-90 days	1,705	—	—	—	1,705	—	—	—
Over 90 days	<u>20,170</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,170</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>21,885</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,885</u>	<u>—</u>	<u>—</u>	<u>—</u>

As at December 31, 2022, included in the Group's and the Company's amount due from related parties are debtors with gross carrying amount of RMB20,170,000, which has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered recoverable due to the management's historical experience on the settlement pattern from these debtors. Details of impairment assessment of amount due from related parties are set out in note 29.

Amounts due to related parties

The Group

	At December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
Trade in nature				
大行科技(深圳)有限公司 (Dahon Technology (Shenzhen) Co., Ltd*)				
(“Dahon Technology”) (Note i)	34	—	—	—
DNA (Notes i and ii)	274	—	—	—
Dahon Global (Notes i and ii)	1,157	—	—	—
SZ Riding Sports (Note i)	765	—	—	—
	<u>2,230</u>	<u>—</u>	<u>—</u>	<u>—</u>

* English translated name for identification purpose only

Notes:

- (i) The entities are controlled by Dr. Hon. The amounts are unsecured, interest-free and repayable on demand.
- (ii) These entities were not controlled by Dr. Hon since February 28, 2023 as they were sold by Dr. Hon to independent third parties during the year ended December 31, 2023.

The Company

	At December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
Trade in nature				
DNA	274	—	—	—
Dahon Technology	2	—	—	—
Dahon Global	224	—	—	—
	<u>500</u>	<u>—</u>	<u>—</u>	<u>—</u>

Amounts due from subsidiaries

	At January 1, 2022 RMB'000	At December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	At April 30, 2025 RMB'000
Trade in nature					
HZ Dahon (as defined in note 34)	23,211	24,585	35,829	1,820	—
SZ Meidahon (as defined in note 34)	—	1,156	3,690	7,626	18,272
SZ Dahon (as defined in note 34)	3	18	—	4,669	12,033
Dahon HK (as defined in note 34)	—	—	2,670	5	352
	<u>23,214</u>	<u>25,759</u>	<u>42,189</u>	<u>14,120</u>	<u>30,657</u>

The following is an ageing analysis of amount due from subsidiaries (net of allowance of credit losses, if any) presented based on invoice date at the end of each reporting period:

	At December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	At April 30, 2025 RMB'000
0–30 days	948	5,271	1,917	16,552
31–60 days	9,553	—	4,963	13,758
61–90 days	11,000	5,000	2	—
Over 90 days	4,258	31,918	7,238	347
	<u>25,759</u>	<u>42,189</u>	<u>14,120</u>	<u>30,657</u>

Amount due to a subsidiary

	At December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	At April 30, 2025 RMB'000
Trade in nature				
HZ Dahon (as defined in note 34)	—	—	—	5,027

23. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

Cash and cash equivalents and pledged bank deposits held by the Group and the Company are short-term bank deposits with an original maturity of three months or less and carry interest at market rates which range from 0% to 1.65%, 0% to 1.25%, 0% to 2.35% per annum and 0% to 2.35% per annum as at December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. The pledged bank deposits are used to secure the bills payables as disclosed in note 24.

24. TRADE AND OTHER PAYABLES

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payable	34,439	27,507	82,049	103,293	1,120	1,093	1,852	4,510
Bills payables (<i>Note</i>)	—	—	—	1,881	—	—	—	—
Other payables and accrued charges	4,434	9,140	9,600	11,759	4,295	8,463	9,289	10,809
Dividend payable	23,535	—	—	11,713	23,535	—	—	11,713
Repurchase obligation under Pre-IPO Employee Incentive Schemes	3,839	8,184	11,216	11,216	3,839	8,184	11,216	11,216
Accrued staff costs	9,377	12,801	17,609	16,976	7,634	9,141	11,593	11,640
Value-added tax and other tax payables	2,472	897	1,948	4,816	2,047	—	803	3,395
Accrued issue costs	—	—	3,269	1,994	—	—	3,269	1,994
	<u>78,096</u>	<u>58,529</u>	<u>125,691</u>	<u>163,648</u>	<u>42,470</u>	<u>26,881</u>	<u>38,022</u>	<u>55,277</u>

Note:

These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade and bills payables and presented based on the invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
0-90 days	34,018	27,329	75,359	101,565	1,019	1,069	1,852	4,510
91-180 days	113	127	928	3,042	—	—	—	—
Over 180 days	308	51	5,762	567	101	24	—	—
	<u>34,439</u>	<u>27,507</u>	<u>82,049</u>	<u>105,174</u>	<u>1,120</u>	<u>1,093</u>	<u>1,852</u>	<u>4,510</u>

The average credit period on purchases of goods and services of the Group and Company is 0 to 90 days.

25. CONTRACT LIABILITIES

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
Current								
Sale of Dahon Bicycles and related products	13,867	14,945	23,917	34,199	12,262	14,630	23,591	33,873
Licensing income	<u>2,178</u>	<u>2,439</u>	<u>2,634</u>	<u>2,361</u>	<u>2,178</u>	<u>2,439</u>	<u>2,634</u>	<u>2,361</u>
	<u>16,045</u>	<u>17,384</u>	<u>26,551</u>	<u>36,560</u>	<u>14,440</u>	<u>17,069</u>	<u>26,225</u>	<u>36,234</u>
Non-current								
Licensing income	<u>9,385</u>	<u>7,511</u>	<u>5,441</u>	<u>5,026</u>	<u>9,385</u>	<u>7,511</u>	<u>5,441</u>	<u>5,026</u>
	<u>25,430</u>	<u>24,895</u>	<u>31,992</u>	<u>41,586</u>	<u>23,825</u>	<u>24,580</u>	<u>31,666</u>	<u>41,260</u>

As at January 1, 2022, the Group and the Company had contract liabilities of RMB20,595,000 and RMB20,569,000, respectively, which included contract liabilities for sale of Dahon Bicycles and related products amounting to RMB7,087,000 and RMB7,061,000, and licensing income amounting to RMB13,508,000 and RMB13,508,000, respectively.

The following table shows the revenue recognized to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
Sale of Dahon Bicycles and related products								
Balance at the beginning of the year/period	7,087	13,867	14,945	23,917	7,061	12,262	14,630	23,591
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(7,087)	(13,867)	(14,945)	(23,917)	(7,061)	(12,262)	(14,630)	(23,591)
Increase in contract liabilities as a result of receiving prepayments for sale of Dahon Bicycles and related products during the year/period	<u>13,867</u>	<u>14,945</u>	<u>23,917</u>	<u>34,199</u>	<u>12,262</u>	<u>14,630</u>	<u>23,591</u>	<u>33,873</u>
Balance at the end of the year/period	<u>13,867</u>	<u>14,945</u>	<u>23,917</u>	<u>34,199</u>	<u>12,262</u>	<u>14,630</u>	<u>23,591</u>	<u>33,873</u>

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Licensing income								
Balance at the beginning of the year/period	13,508	11,563	9,950	8,075	13,508	11,563	9,950	8,075
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(2,370)	(2,349)	(2,601)	(953)	(2,370)	(2,349)	(2,601)	(953)
Increase in contract liabilities as a result of receiving upfront licensing fee during the year/period	425	736	726	265	425	736	726	265
Balance at the end of the year/period	<u>11,563</u>	<u>9,950</u>	<u>8,075</u>	<u>7,387</u>	<u>11,563</u>	<u>9,950</u>	<u>8,075</u>	<u>7,387</u>

26. LEASE LIABILITIES

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:								
Within one year	3,734	3,208	4,480	4,987	1,137	1,267	1,475	1,960
Within a period of more than one year but not exceeding two years	3,208	3,461	4,827	5,009	1,267	1,407	1,629	2,092
Within a period of more than two years but not exceeding five years	10,581	9,594	6,975	5,682	3,936	2,529	1,183	659
Within a period of more than five years	<u>3,465</u>	<u>992</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	20,988	17,255	16,282	15,678	6,340	5,203	4,287	4,711
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(3,734)</u>	<u>(3,208)</u>	<u>(4,480)</u>	<u>(4,987)</u>	<u>(1,137)</u>	<u>(1,267)</u>	<u>(1,475)</u>	<u>(1,960)</u>

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
Amount due for settlement after 12 months shown under non-current liabilities	17,254	14,047	11,802	10,691	5,203	3,936	2,812	2,751

The weighted average incremental borrowing rates applied to lease liabilities at 4.90% per annum during the year ended December 31, 2022, range at 4.75% to 4.90% per annum during the years ended December 31, 2023 and 2024 and range at 4.75% to 4.90% per annum during the four months ended April 30, 2025, respectively.

27. SHARE CAPITAL AND RESERVES

The Group and the Company

	Number of shares	Amount RMB'000
Registered capital/issued and fully paid share capital:		
At January 1, 2022	N/A	10,000
Capital contribution from 2022 Pre-IPO Employee Incentive Scheme	N/A	3,839
At December 31, 2022	N/A	13,839
Conversion into a joint stock company (<i>Note (i)</i>)	22,500,000	8,661
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme	868,900	869
At December 31, 2023	23,368,900	23,369
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme	378,941	379
At December 31, 2024 and April 30, 2025	23,747,841	23,748

Note:

- (i) On August 28, 2023, the Company was converted from a limited liability company into a joint stock company with a share capital of RMB22,500,000. The Company issued and allotted 22,500,000 ordinary shares with a nominal value of RMB1 each to the respective then shareholders of the Company in accordance with the proportion of their registered capital to the Company as at April 30, 2023. The Company capitalized statutory reserves of RMB5,349,000 and retained profits of RMB46,196,000 as part of the process.

Reserves of the Company

Below table sets out details of the reserves of the Company:

	Share premium <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2022	—	3,691	—	34,513	38,204
Profit and total comprehensive income for the year	—	—	—	29,146	29,146
Transfer to statutory reserves	—	1,658	—	(1,658)	—
Dividend recognized as distribution (note 13)	—	—	—	(22,001)	(22,001)
Reclassification in respect of shares subject to repurchase under 2022 Pre-IPO Employee Incentive Scheme	—	—	(3,839)	—	(3,839)
At December 31, 2022	—	5,349	(3,839)	40,000	41,510
Profit and total comprehensive income for the year	—	—	—	28,852	28,852
Transfer to statutory reserves	—	2,995	—	(2,995)	—
Conversion into a joint stock company	42,884	(5,349)	—	(46,196)	(8,661)
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme	3,476	—	—	—	3,476
Reclassification in respect of shares subject to repurchase under 2023 Pre-IPO Employee Incentive Scheme	—	—	(4,345)	—	(4,345)
At December 31, 2023	46,360	2,995	(8,184)	19,661	60,832
Profit and total comprehensive income for the year	—	—	—	45,632	45,632
Transfer to statutory reserves	—	4,563	—	(4,563)	—
Dividend recognized as distribution (note 13)	—	—	—	(16,200)	(16,200)
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme	2,653	—	—	—	2,653
Reclassification in respect of shares subject to repurchase under 2024 Pre-IPO Employee Incentive Scheme	—	—	(3,032)	—	(3,032)
At December 31, 2024	49,013	7,558	(11,216)	44,530	89,885
Profit and total comprehensive income for the period	—	—	—	18,097	18,097
Dividend recognized as distribution (note 13)	—	—	—	(17,713)	(17,713)
At April 30, 2025	49,013	7,558	(11,216)	44,914	90,269

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of lease liabilities, net of cash and cash equivalents and equity. The management of the Group reviews the capital structure periodically and considers the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

	The Group				The Company			
	At December 31,			At	At December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets								
At amortized cost	<u>92,729</u>	<u>70,029</u>	<u>123,202</u>	<u>134,145</u>	<u>100,417</u>	<u>84,724</u>	<u>116,612</u>	<u>132,461</u>
Financial liabilities								
At amortized cost	<u>67,265</u>	<u>43,232</u>	<u>99,476</u>	<u>135,884</u>	<u>32,717</u>	<u>16,209</u>	<u>19,259</u>	<u>40,227</u>
Lease liabilities	<u>20,988</u>	<u>17,255</u>	<u>16,282</u>	<u>15,678</u>	<u>6,340</u>	<u>5,203</u>	<u>4,287</u>	<u>4,711</u>

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from (to) an associate/related parties/subsidiaries, pledged bank deposits and cash and cash equivalents and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

Currency risk

Certain Group entities have sales and purchases denominated in Euro ("EUR"), Hong Kong Dollar ("HKD"), United States Dollar ("USD"), Great Britain Pound ("GBP"), Japanese Yen ("JPY") and Canadian Dollar ("CAD"), other than the functional currency of respective entities, which expose the Group and the Company to market risk arising from changes in foreign exchange rates. The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's and the Company's monetary assets and liabilities denominated in EUR, HKD, USD, GBP, JPY and CAD at the end of each reporting period and the carrying amounts are as follows:

The Group

	Assets				Liabilities			
	As at December 31,			At	As at December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
Currency								
EUR	9,343	10,950	6,587	1,235	1,889	—	5,989	7,394
HKD	241	729	128	395	—	—	—	—
USD	28,362	8,486	14,179	12,670	989	620	408	1,730
GBP	—	—	163	52	—	—	—	—
JPY	727	244	583	84	1	—	—	—
CAD	—	—	—	26	—	—	—	—

The Company

	Assets				Liabilities			
	As at December 31,			At	As at December 31,			At
	2022	2023	2024	April 30,	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025	RMB'000	RMB'000	RMB'000	2025
Currency								
EUR	124	2,695	—	—	—	—	—	4
HKD	2	—	—	—	—	—	—	—
USD	28,248	8,441	13,531	12,352	446	246	53	819
JPY	727	159	578	79	—	—	—	—
CAD	—	—	—	26	—	—	—	—

The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in RMB against EUR, HKD, USD, GBP, JPY and CAD. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase in post-tax profit for the year where EUR, HKD, USD, GBP, JPY and CAD strengthens 5% against RMB. For a 5% weakening of EUR, HKD, USD, GBP, JPY and CAD against RMB, there would be an opposite impact on the post-tax profit for the year/period.

	At December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
The Group				
Impact on profit or loss				
— EUR	280	410	22	(231)
— HKD	9	27	5	15
— USD	1,163	334	585	465
— GBP	—	—	6	2
— JPY	31	10	25	4
— CAD	—	—	—	1

	As at December 31,			At
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
The Company				
Impact on profit or loss				
— EUR	5	115	—	—*
— HKD	—	—	—	—
— USD	1,182	348	573	490
— JPY	31	7	25	3
— CAD	—	—	—	1

* Impact less than thousand

The sensitivity rates used represents management's assessment of the reasonably possible change in foreign exchange rates. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as each year/period end exposure does not reflect the exposure during the Track Record Period.

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to pledged bank deposits. The Group and the Company is also exposed to cash flow interest rate risk in relation to variable-rate bank balances which is mainly concentrated on the fluctuation of benchmark deposit interest rates in the PRC. The management of the Group closely monitors interest rate movement and manages the potential risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

No sensitivity analysis is presented as the management of the Group determines that the impact from changes in interest rates is insignificant considering the historical movement in deposit interest rates in the PRC for the Track Record Period.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposure are primarily attributable to trade receivables, other receivables and deposits, amounts due from an associate/related parties/subsidiaries, pledged bank deposits and bank balances. Other than amount due from an associate amounting to RMB833,000, RMB167,000, nil and nil as at December 31, 2022, 2023 and 2024 and April 30, 2025, respectively, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables/amount due from related parties (trade related)/amount due from subsidiaries (trade related)

The Group and the Company has concentration of credit risk on certain individual customers as at December 31, 2022, 2023 and 2024 and April 30, 2025.

For the Group, the two largest trade receivable balances (including amount due from related parties (trade related)), accounted for 66%, 62%, 49% and 43% of the trade receivables and the largest trade receivable balance was approximately 54%, 31%, 25% and 22% of the Group's total trade receivables respectively.

For the Company, the two largest trade receivable balances (including amount due from related parties (trade related)) accounted for 92%, 93%, 65% and 85% of the trade receivables and the largest trade receivable balance was approximately 80%, 69%, 49% and 50% of the Group's total trade receivables respectively.

In order to minimize the credit risk of those receivables, the management of the Group closely monitors the recoverability of the amount due. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group has applied the simplified approach of HKFRS 9 to measure the loss allowance at lifetime ECL. In additions, the Group performs impairment assessment under ECL model on trade receivables and amount due from related parties/subsidiaries (trade related) individually.

No ECL has been provided on the amount due from subsidiaries (trade related) as the director of the Company considered the ECL is not material and the good repayment history from the subsidiaries.

Other receivables and deposits and amounts due from an associate (non-trade related)

The Group has taken into account the economic outlook of the industries in which the counterparties operate, and concluded that there has been no significant increase in credit risk since initial recognition. The ECL on deposits and other receivables and amounts due from an associate are assessed based on 12m ECL and are considered to be insignificant.

Cash and cash equivalents/Pledged bank deposits

The credit risk on liquid funds is limited because the counterparties are reputable banks in the PRC or banks with high credit-ratings assigned by international credit-rating agencies and the Group has limited exposure to any single financial institution. As of December 31, 2022, 2023 and 2024 and April 30, 2025, the Group performed impairment assessment on bank balances by reference to the average loss rates for respective credit rating grades published by international credit-rating agencies and concluded that the ECL is insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ Amount due from related parties/ subsidiaries (trade related)	Other financial assets
Low risk	The counterparty has a low risk of default	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit-impaired	12m ECL

Internal credit rating	Description	Trade receivables/ Amount due from related parties/ subsidiaries (trade related)	Other financial assets
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group/ the Company has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below details the credit risk exposures of the Group's and the Company's financial assets:

The Group

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount			
					At December 31,			As at
					2022	2023	2024	April 30, 2025
					RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables — contracts with customers	21	N/A	Low risk	Lifetime ECL	2,749	5,316	7,380	11,003
			Watch list	Lifetime ECL	3,634	2,114	2,524	1,750
			Doubtful	Lifetime ECL	2,984	10,351	4,620	4,615
Trade receivables — receivables from an OEM supplier	21	N/A	Doubtful	Lifetime ECL	4,508	5,811	4,842	4,870
Other receivables and deposits	21	N/A	Low risk	12m ECL	1,681	1,810	2,736	3,621
Amount due from an associate (non-trade related)	17	N/A	Low risk	12m ECL	833	167	—	—
Amount due from related parties (trade related)	22	N/A	Watch list	Lifetime ECL	2,686	—	—	—
			Doubtful	Lifetime ECL	19,199	—	—	—
Pledged bank deposits	23	A	N/A	12m ECL	—	—	—	50,000
Cash and cash equivalents	23	Aa2 to Baa3	N/A	12m ECL	56,773	45,895	101,788	59,024

The Company

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount			
					At December 31,			As at
					2022	2023	2024	April 30,
					RMB'000	RMB'000	RMB'000	2025
Trade receivables — contracts with customers	21	N/A	Low risk	Lifetime ECL	243	2,701	2,960	4,327
			Watch list	Lifetime ECL	1,774	583	1,854	198
			Doubtful	Lifetime ECL	—	7,191	4,620	4,615
Other receivables and deposits	21	N/A	Low risk	12m ECL	751	506	1,572	2,254
Amount due from an associate (non-trade related)	17	N/A	Low risk	12m ECL	833	167	—	—
Amount due from related parties (trade related)	22	N/A	Watch list	Lifetime ECL	2,686	—	—	—
			Doubtful	Lifetime ECL	19,199	—	—	—
Amount due from subsidiaries (trade related)	22	N/A	Watch list	Lifetime ECL	25,759	42,189	14,120	30,657
Pledged bank deposits	23	A	N/A	12m ECL	—	—	—	50,000
Cash and cash equivalents	23	Aa2 to Baa3	N/A	12m ECL	50,836	32,016	91,838	40,740

The average loss rates for trade receivables (contract with customers and receivables from an OEM supplier), amount due from related parties/subsidiaries (trade related) as at December 31, 2022, 2023 and 2024 and April 30, 2025 are as follows:

	At December 31,			At
	2022	2023	2024	April 30,
				2025
Low risk	0.1%	0.6%	0.6%	0.6%
Watch list	2.4%	3.3%	3.3%	3.5%
Doubtful	8.1%	8.3%	5.9%	6.4%

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables (contract with customers and receivables from an OEM supplier)/amount due from related parties (trade related) for the Group and the Company using internal credit rating:

The Group

	<i>RMB'000</i>
At January 1, 2022	2,495
Impairment loss under ECL reversed, net	<u>(177)</u>
At December 31, 2022	2,318
Impairment loss under ECL reversed, net	<u>(883)</u>
At December 31, 2023	1,435
Impairment loss under ECL reversed, net	<u>(747)</u>
At December 31, 2024	688
Impairment loss under ECL recognized, net	<u>50</u>
At April 30, 2025	<u><u>738</u></u>

The Company

	<i>RMB'000</i>
At January 1, 2022	1,812
Impairment loss under ECL recognized, net	<u>(148)</u>
At December 31, 2022	1,664
Impairment loss under ECL reversed, net	<u>(1,035)</u>
At December 31, 2023	629
Impairment loss under ECL reversed, net	<u>(277)</u>
At December 31, 2024	352
Impairment loss under ECL reversed, net	<u>(22)</u>
At April 30, 2025	<u><u>330</u></u>

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curve at the end of each reporting period.

The Group

	Weighted average contractual interest rate %	On demand or less than 1 month RMB'000	1 month to 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2022								
Trade and other payables	—	64,614	113	308	—	—	65,035	65,035
Amount due to related parties	—	2,230	—	—	—	—	2,230	2,230
		66,844	113	308			67,265	67,265
Lease liabilities	4.9	377	753	3,537	15,817	3,549	24,033	20,988
At December 31, 2023								
Trade and other payables	—	41,387	1,715	130	—	—	43,232	43,232
Lease liabilities	4.8	348	697	2,946	14,375	1,000	19,366	17,255
At December 31, 2024								
Trade and other payables	—	79,887	12,886	6,703	—	—	99,476	99,476
Lease liabilities	4.9	437	903	3,814	12,618	—	17,772	16,282
At April 30, 2025								
Trade and other payables	—	104,635	27,640	3,609	—	—	135,884	135,884
Lease liabilities	4.9	458	916	4,212	11,191	15	16,792	15,678

The Company

	Weighted average contractual interest rate %	On demand or less than 1 month RMB'000	1 month to 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2022								
Trade and other payables	—	32,177	35	5	—	—	32,217	32,217
Amount due to related parties	—	500	—	—	—	—	500	500
		32,677	35	5			32,717	32,717
Lease liabilities	4.9	116	231	1,070	5,674	—	7,091	6,340
At December 31, 2023								
Trade and other payables	—	16,106	—	103	—	—	16,209	16,209
Lease liabilities	4.9	121	243	1,123	4,187	—	5,674	5,203
At December 31, 2024								
Trade and other payables	—	19,259	—	—	—	—	19,259	19,259
Lease liabilities	4.9	134	269	1,242	2,929	—	4,574	4,287
At April 30, 2025								
Trade and other payables	—	35,200	—	—	—	—	35,200	35,200
Amount due to a subsidiary	—	5,027	—	—	—	—	5,027	5,027
		40,227	—	—	—	—	40,227	40,227
Lease liabilities	4.9	169	339	1,581	2,889	15	4,993	4,711

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank borrowings RMB'000	Lease liabilities RMB'000	Dividend payable RMB'000	Repurchase obligation (note 24) RMB'000	Accrued issue costs RMB'000	Total RMB'000
At January 1, 2022	12,012	23,572	—	—	—	35,584
Interest accrued	226	1,075	—	—	—	1,301
Financing cash flows	(12,238)	(4,451)	—	3,839	—	(12,850)
New leases entered	—	792	—	—	—	792
Dividend declared	—	—	23,535	—	—	23,535
At December 31, 2022	—	20,988	23,535	3,839	—	48,362
Interest accrued	—	925	—	—	—	925
Employee benefits expenses (note 13)	—	—	(1,534)	—	—	(1,534)
Financing cash flows	—	(4,668)	(22,001)	4,345	—	(22,324)
New leases entered	—	10	—	—	—	10
At December 31, 2023	—	17,255	—	8,184	—	25,439
Interest accrued	—	872	—	—	—	872
Dividend declared	—	—	18,000	—	—	18,000
Employee benefits expenses (note 13)	—	—	(1,800)	—	—	(1,800)
Financing cash flows	—	(5,106)	(16,200)	3,032	(4,793)	(23,067)
New leases entered	—	3,261	—	—	—	3,261
Deferred issue costs	—	—	—	—	8,062	8,062
At December 31, 2024	—	16,282	—	11,216	3,269	30,767
Interest accrued	—	251	—	—	—	251
Dividend declared	—	—	20,000	—	—	20,000
Employee benefits expenses (note 13)	—	—	(2,287)	—	—	(2,287)
Financing cash flows	—	(1,792)	(6,000)	—	(5,938)	(13,730)
New leases entered	—	937	—	—	—	937
Deferred issue costs	—	—	—	—	4,663	4,663
At April 30, 2025	—	15,678	11,713	11,216	1,994	40,601
At January 1, 2024	—	17,255	—	8,184	—	25,439
Interest accrued	—	311	—	—	—	311
Dividend declared	—	—	4,908	—	—	4,908
Employee benefits expenses (note 13)	—	—	(328)	—	—	(328)
Financing cash flows	—	(1,693)	(4,580)	—	—	(6,273)
New leases entered	—	2,573	—	—	—	2,573
At April 30, 2024 (unaudited)	—	18,446	—	8,184	—	26,630

31. SHARE-BASED PAYMENT

Pre-IPO Employee Incentive Scheme

a. Background

2022 Pre-IPO Employee Incentive Scheme (as defined below)

During the year ended December 31, 2022, the Group has adopted the 2022 pre-IPO employee incentive scheme (the “2022 Pre-IPO Employee Incentive Scheme”) and established two limited partnership, 深圳美大行企業管理諮詢合夥企業(有限合夥) Shenzhen Meidahon Enterprise Management Consulting Partnership (L.P.)* (“Meidahon LP”) and 深圳大行企業管理諮詢合夥企業(有限合夥) Shenzhen Dahon Enterprise Management Consulting Partnership (L.P.)* (“Dahon LP”) as the pre-IPO employee incentive platforms, with a view to improve the enthusiasm and creativity of the eligible participants of the 2022 Pre-IPO Employee Incentive Scheme (the “2022 Eligible Participants”), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2022 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2022 Eligible Participants and the Group.

Meidahon LP and Dahon LP had, in turn, subscribed for RMB511,200 and RMB186,700 registered capital, representing approximately 4.78% and 1.75% of the total registered capital (as at the date of the adoption of the 2022 Pre-IPO Employee Incentive Scheme), respectively.

The 2022 Eligible Participants of the pre-IPO employee incentive platforms shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the registered capital of the Company.

The corresponding interests in Meidahon LP and Dahon LP were granted to 2022 Eligible Participants on May 27, 2022 and all contribution payments have been paid in full. The 2022 Eligible Participants made aggregate contribution payments of RMB3,839,000 into the pre-IPO employee incentive platforms, which in turn subscribed for RMB3,839,000 registered capital of Company.

On August 28, 2023, the Company was converted from a limited liability company into a joint stock company with a share capital of RMB22,500,000. The registered capital hold by Meidahon LP and Dahon LP had, in turn, became 1,075,164 and 392,671 shares, representing approximately 4.78% and 1.75% of the then total issued shares, respectively.

2023 Pre-IPO Employee Incentive Scheme (as defined below)

During the year ended December 31, 2023, the Group has adopted the 2023 pre-IPO employee incentive scheme (the “2023 Pre-IPO Employee Incentive Scheme”) and established two limited partnership, 深圳大行科企業管理諮詢合夥企業(有限合夥) Shenzhen DahonTech Enterprise Management Consulting Partnership (L.P.)* (“DahonTech LP”) and 深圳大行工企業管理諮詢合夥企業(有限合夥) Shenzhen DahonInd Enterprise Management Consulting Partnership (L.P.)* (“DahonInd LP”) as the pre-IPO employee incentive platforms, with a view to improve the enthusiasm and creativity of the eligible participants of the 2023 Pre-IPO Employee Incentive Scheme (the “2023 Eligible Participants”), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2023 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2023 Eligible Participants and the Group.

DahonTech LP and DahonInd LP had, in turn, subscribed for 676,050 and 192,850 shares, representing approximately 2.89% and 0.83% of the total issued shares (as at the date of the adoption of the 2023 Pre-IPO Employee Incentive Scheme), respectively.

The 2023 Eligible Participants of the pre-IPO employee incentive platforms shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the shares of the Company.

The corresponding interests in DahonTech LP and DahonInd LP were granted to 2023 Eligible Participants on October 13, 2023 and all contribution payments have been paid in full. The 2023 Eligible Participants made aggregate contribution payments of RMB4,345,000 into the pre-IPO employee incentive platforms, which in turn subscribed for 868,900 shares of the Company.

2024 Pre-IPO Employee Incentive Scheme (as defined below)

On December 2, 2024, the Group has adopted the 2024 pre-IPO employee incentive scheme (the “2024 Pre-IPO Employee Incentive Scheme”). One limited partnership, Shenzhen Dahon Tech Enterprise Management Consulting Partnership (L.P.) (深圳大行科工企業管理諮詢合夥企業(有限合夥)) (“Dahon Tech Enterprise LP”) was established as the pre-IPO employee incentive platform, with a view to improve the enthusiasm and creativity of the eligible participants of the 2024 Pre-IPO Employee Incentive Scheme (the “2024 Eligible Participants”), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2024 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2024 Eligible Participants and the Group.

Dahon Tech Enterprise LP had, in turn, subscribed for 378,941 shares, representing approximately 1.60% of the total issued shares (as at the date of the adoption of the 2024 Pre-IPO Employee Incentive Scheme). The 2024 Eligible Participants of the pre-IPO employee incentive platform, shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the shares of the Company.

The corresponding interests in Dahon Tech Enterprise LP were granted to 2024 Eligible Participants on December 2, 2024 and all contribution payments have been paid in full. The 2024 Eligible Participants made aggregate contribution payments of RMB3,032,000 into the pre-IPO employee incentive platforms, which in turn subscribed for 378,941 shares of the Company.

Based on the Pre-IPO Employee Incentive Schemes, the Company will repurchase the shares granted to the 2022 Eligible Participants, 2023 Eligible Participants and 2024 Eligible Participants (“Eligible Participants”) when the Eligible Participants fail to satisfy specified vesting conditions. The total consideration paid by the Eligible Participants are recognized as liabilities, and will only be reversed by portion to other reserve when the shares are vested.

Five limited partnerships were set up for the purpose of administering the Pre-IPO Employee Incentive Schemes and holding the shares, and hereby regarded as trustees of the Company and consolidated to the Group accordingly.

b. Transfer restrictions

The shares of the Company shall subject to transfer restrictions, which is also the vesting condition, and such restrictions shall be released in the following manner:

- Meidahon LP, DahonTech LP and Dahon Tech Enterprise LP: From the business day following the third anniversary of the date of listing.
- Dahon LP and DahonInd LP: From the business day following the second anniversary of the date of listing.

In addition to the timetable sets forth above, the release of the shares shall be further subject to the achievement of the certain performance targets of the Company and the grantee respectively (individually and collectively, the “Performance Target(s)”). The remuneration and appraisal committee of the board of directors of the Company shall review and determine the fulfilment of the Performance Target(s), and report to the board of directors of the Company accordingly.

Details of the Eligible Participants comprising directors, supervisors, senior management and staff of the Company under the Pre-IPO Employee Incentive Schemes are set out in “Appendix VI — Statutory and General Information” of the Prospectus.

c. Others

The directors determined the fair value of shares granted under the Pre-IPO Employee Incentive Schemes at grant date, based on the equity value of the Company which was derived by calibrating the result of the valuation of latest transaction price. The fair value of the aforesaid granted shares at grant date, after net of the cash consideration received would be recognized as expense on a straight-line basis over the vesting period, based on the Group’s estimate of shares that will eventually vest. The corresponding share-based payment expense has not been recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 as the vesting condition is not probable to satisfy.

During the year ended 31 December 2024, the Company modified the terms and conditions in the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme, by including Hong Kong Stock Exchange as one of the listing market destination. The incremental fair value arising from the modification will be expensed over the vesting period of the 2022 Pre-IPO Employment Scheme and 2023 Pre-IPO Employment Scheme when the vesting condition is probable to satisfy.

32. RETIREMENT BENEFITS SCHEMES

Employees of the Company and its subsidiaries in the PRC are covered by the retirement and pension schemes defined by local practice and regulations. The Company and subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement and pension schemes. The calculation of contributions for PRC eligible staff is based on certain percentage of the applicable payroll costs. The only obligation of the Group in respect of the retirement benefits scheme is to make the specified contribution.

33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Historical Financial Information, the Group entered into the following transactions with related parties:

Name of related parties	Relationship	Nature of transaction	For the year ended December 31,			Four months ended April 30,	
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						<i>(unaudited)</i>	
SZ Riding Sports	Controlled by Dr. Hon	Sales to related parties	19,828	—	—	—	—
		Services provided to related parties	309	—	—	—	—
		Purchases from related parties	2,806	204	—	—	—
		Services received from related parties	600	5	—	—	—
			<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Name of related parties	Relationship	Nature of transaction	For the year ended December 31,		Four months ended April 30,		
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						(unaudited)	
Dahon Technology	Controlled by Dr. Hon	Service provided to related parties	57	52	—	—	—
		Purchases from related parties	2	142	—	—	—
		Repayment of principal of lease liabilities to related parties	160	—	—	—	—
		Repayment of interest of lease liabilities to related parties	4	—	—	—	—
		Services received from related parties	39	—	—	—	—
深圳市協進五金製品有限公司 (Shenzhen Xiejin Hardware Products Co., Ltd*) ("Shenzhen Xiejin") (Note (ii))	An associate of Dahon Technology	Purchases from related parties	3,288	N/A	N/A	N/A	N/A
DNA	Controlled by Dr. Hon	Acquisition of trademarks (Note (i))	—	14,403	N/A	N/A	N/A
		Sales to related parties	5,331	—	N/A	N/A	N/A
		Service provided to related parties	589	—	N/A	N/A	N/A
Dahon Global	Controlled by Dr. Hon	Purchase from related parties	895	1,063	N/A	N/A	N/A
Xindahang	An associate of the Company	Purchase from related parties	171	—	—	—	—
深圳博康科工有限公司 (Shenzhen Clinair Tech Co., Ltd.*)	Controlled by Dr. Hon	Granting of patent rights	N/A	N/A	142	—	—

* English translated name for identification purpose only.

Notes:

- (i) During the year ended December 31, 2023, the Company has acquired the trademarks from DNA which have useful lives from 3–10 years.
- (ii) Shenzhen Xiejin ceased to be a related party from June 29, 2022 as it was disposed by Dahon Technology to an independent third party.

The remuneration of key management of the Group was as follows:

	For the year ended December 31,			Four months ended	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries and other benefits	2,131	2,322	2,516	810	789
Performance-related incentive payments	1,534	990	2,428	844	368
Post-employment benefits	84	98	146	34	79
	<u>3,749</u>	<u>3,410</u>	<u>5,090</u>	<u>1,688</u>	<u>1,236</u>

34. INVESTMENT IN SUBSIDIARIES/PARTICULARS OF SUBSIDIARIES

The Company

	At December 31,			As at
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Unlisted investments, at cost	<u>6,293</u>	<u>6,293</u>	<u>7,263</u>	<u>7,412</u>

Name of subsidiaries	Place of incorporation or registration/ establishment, legal form	Date of incorporation or registration/ establishment	Paid up issued share capital/ registered capital/ authorized capital/total capital	Proportion of ownership interest/voting rights held by the Company				Principal activities	Notes	
				At December 31,		At April 30,				
				2022	2023	2024	2025			
				%	%	%	%	At date of this report		
惠州市美大行科技有限公司 Huizhou Dahon Technology Co., Ltd.* ("HZ Dahon")	PRC, limited liability company	September 5, 2019	Registered RMB5,000,000	100	100	100	100	100	Production of bicycles and related accessories	(a)
深圳市美大行商贸有限公司 Shenzhen Meidahon Trading Co., Ltd.* ("SZ Meidahon")	PRC, limited liability company	August 24, 2021	Registered RMB1,000,000	100	100	100	100	100	Sales of bicycles and related accessories	(b)
深圳市美大行商贸有限公司 Shenzhen Dahon Trading Co., Ltd.* ("SZ Dahon")	PRC, limited liability company	August 24, 2021	Registered RMB1,000,000	100	100	100	100	100	Sales of bicycles and related accessories	(b)
美大行科技(香港)有限公司 Dahon Technology (HK) Limited ("Dahon HK")	HK, limited liability company	February 10, 2022	HKD100,000	100	100	100	100	100	Sales of bicycles and related accessories	(c)
Meidahon LP	PRC, limited partnership	May 7, 2022	Registered RMB2,811,600	100	100	100	100	100	Investment holding	(d)
Dahon LP	PRC, limited partnership	May 7, 2022	Registered RMB1,026,850	100	100	100	100	100	Investment holding	(d)
DahonTech LP	PRC, limited partnership	August 28, 2023	Registered RMB3,380,250	N/A	100	100	100	100	Investment holding	(e)
DahonInd LP	PRC, limited partnership	August 28, 2023	Registered RMB964,250	N/A	100	100	100	100	Investment holding	(e)
Dahon Tech Enterprise LP	PRC, limited partnership	November 14, 2024	Registered RMB3,380,250	N/A	N/A	100	100	100	Investment holding	(f)
深圳大行共享科技有限公司 Shenzhen Dahon Sharing Technology Co., Ltd.*	PRC, limited liability company	July 16, 2024	Registered RMB1,000,000	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(g)
Vitesse Biki Inc.	United States of America, limited liability company	October 14, 2024	Authorized USD10,000	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(f)

Name of subsidiaries	Place of incorporation or registration/ establishment, legal form	Date of incorporation or registration/ establishment	Paid up issued share capital/ registered capital/ authorized capital/total capital	Proportion of ownership interest/voting rights held by the Company				Principal activities	Notes	
				At December 31,		At April 30,				At date of this report
				2022	2023	2024	2025			
				%	%	%	%			
Dahon Europe OÜ	Estonia, limited liability company	November 7, 2024	Total EUR1	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(f)
Dahon International Inc.	United States of America, limited liability company	April 28, 2025	Authorized USD10,000	N/A	N/A	N/A	100	100	Sales of bicycles and related accessories	N/A
大金精工(天津)車業有限公司 DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd.*	PRC, limited liability company	May 29, 2025	Registered RMB10,000,000	N/A	N/A	N/A	N/A	51	Sales of bicycles and related accessories	N/A
大金精工(天津)金屬製品有限公司 DAGOLD Metal Products (Tianjin) Co., Ltd.	PRC, limited liability company	August 19, 2025	Registered RMB1,000,000	N/A	N/A	N/A	N/A	100	Sales of bicycles and related accessories	N/A

All subsidiaries have a financial year end of December 31. None of the subsidiaries had issued any debt securities during the Track Record period.

Notes:

- (a) The statutory financial statements for each of the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen HuaKai CPA & Co. (Limited Partnership)* 深圳華楷會計師事務所(普通合夥), Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 and Shenzhen Huasi Certified Public Accountants* 深圳華思會計師事務所(普通合夥), respectively.
- (b) The statutory financial statements for each of the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 and Shenzhen Juxin Certified Public Accountants* 深圳聚鑫會計師事務所(普通合夥). No statutory financial statements for the year ended December 31, 2022 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.
- (c) The statutory financial statements for each of the years ended December 31, 2022 and 2023 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by United CPA & Co. As the date of this report, the statutory financial statements of Dahon HK for the year ended December 31, 2024 is not yet issued.
- (d) No statutory financial statements for the period/years ended December 31, 2022, 2023 and 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.
- (e) No statutory financial statements for the period/year ended December 31, 2023 and 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.
- (f) No statutory financial statements for the period ended December 31, 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.

- (g) The statutory financial statements for the period ended December 31, 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen Juxin Certified Public Accountants* 深圳聚鑫會計師事務所(普通合夥).

* *English translated name for identification purpose only.*

35. EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to April 30, 2025.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to April 30, 2025.