

藍月亮集團控股有限公司

Blue Moon Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6993

藍月亮

ANNUAL REPORT

2025

蓝月亮

Journey to CLEANLINESS OF ZHIZUN





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FINANCIAL SUMMARY



CORPORATE INFORMATION AND FINANCIAL CALENDAR

Board of Directors

Executive Directors

Ms. PAN Dong (*Chairman*)
Mr. LUO Qiuping (*Chief Executive Officer*)
Ms. LUO Dong
Mr. POON Kwok Leung
Ms. XIAO Haishan

Independent Non-executive Directors

Mr. Bruno Robert MERCIER
Ms. NGAN Edith Manling
Mr. HU Yebi

Authorised Representatives

Ms. PAN Dong
Mr. POON Kwok Leung

Audit Committee

Ms. NGAN Edith Manling (*Chairman*)
Mr. Bruno Robert MERCIER
Mr. HU Yebi

Remuneration Committee

Mr. HU Yebi (*Chairman*)
Ms. PAN Dong
Ms. XIAO Haishan
Mr. Bruno Robert MERCIER
Ms. NGAN Edith Manling

Nomination Committee

Ms. PAN Dong (*Chairman*)
Mr. Bruno Robert MERCIER
Mr. HU Yebi

Company Secretary

Mr. POON Kwok Leung, *FCPA*

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

Legal Advisers

Norton Rose Fulbright Hong Kong
38/F, Jardine House
1 Connaught Place
Central, Hong Kong

Compliance Adviser

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Principal Share Register and Transfer Agent in the Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands



CORPORATE INFORMATION AND FINANCIAL CALENDAR

Key Dates for 2025 Annual Results and Final Dividend

Publication Dates

Annual results announcement	26 March 2026
Annual report available online:	24 April 2026
– Website of the Company	www.bluemoon.com.cn
– Website of the Stock Exchange	www.hkexnews.hk

Dividend-related Dates

Ex-dividend date:	28 May 2026
Latest time to lodge transfer documents for registration with Hong Kong Branch Share Registrar for determining entitlement to the dividend:	At 4:30 p.m. on 29 May 2026
Book close period:	
– For Annual General Meeting:	19 to 22 May 2026
– For Final Dividend:	1 to 3 June 2026
Payment date:	11 June 2026

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor Services Limited

Address: Shops 1712-1716, 17th Floor,
Hopewell Centre, 183 Queen's Road East,
Wanchai, Hong Kong

Telephone: (852) 2862 8628

Facsimile: (852) 2865 0990

Enquiries: http://www.computershare.com/hk/zh/online_feedback

Stock Code

Stock Exchange of Hong Kong: 6993

Contact Us

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Principal Place of Business in Hong Kong:	Unit 4606, 46/F, COSCO Tower, Grand Millennium Plaza, No. 183 Queen's Road Central, Hong Kong
Telephone:	(852) 3182 0111
Facsimile:	(852) 3182 0120



COMPANY HIGHLIGHTS

Corporate Profile

The Blue Moon brand was established in 1992 and has been developed into a leading innovative household cleaning solutions provider in China. Blue Moon Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under the stock code 6993 in 2020.

The Group delved into three product categories in fabric care, personal hygiene and home care. The Group’s liquid laundry detergent and liquid soap have ranked first in the China Brand Power Index for 15 consecutive years (2011-2025)¹. In addition, the Group’s liquid laundry detergent and liquid soap have ranked first in comprehensive market share among similar products for 16 consecutive years (2009-2024) and 13 consecutive years (2012-2024) respectively².

With consumers at heart and with leading product technologies guiding the way, the Group has been committed to continuously upgrading the laundry experience of Chinese households with breakthrough products and to cater for the new cleaning needs of consumers and lead the industry development trend.

From “washing powder” to “liquid laundry detergent”, then to “concentrated liquid laundry detergent”, Blue Moon, as a pioneer in driving product reform with innovation, has continued to introduce technologically advanced cleaning products that exceed expectations. Since the launch of China’s first pump-packed “Concentrate Plus” Liquid Laundry Detergent Zhizun Machine Wash in 2015, the Group has been continuously upgrading its technology. In 2024, the new “Concentrated Plus” Zhizun Biotech Liquid Laundry Detergent was launched to lead the continuous upgrading of the industry’s technology. In July 2025, the Group launched the Jingxiang Foaming Body Wash Moisturizing Type (淨享泡沫沐浴露水潤型), which features an innovative foam technology and a mild amino acid cleansing formula, catering to the hydrating and moisturizing needs of all seasons for consumers. In November 2025, the Group conducted innovative research and development and launched the new product Blue Moon Fabrics Stain Remover (藍月亮衣物去漬劑). The use of Blue Moon Fabrics Stain Remover with Zhizun (至尊) series detergents can effectively improve the efficiency of fabric stain removal, while the usage process is convenient and hassle-free.

The Group has stayed true to its consumer-centric brand philosophy and aimed to allow every family to enjoy a clean, healthy, comfortable, respectable and delightful lifestyle. Going forward, the Group will continue to develop comprehensive home cleaning solutions to better meet consumers’ diverse and sophisticated cleansing needs.

Sources:

1 Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)

2 China National Commercial Information Center (中華全國商業信息中心)

COMPANY HIGHLIGHTS

Key Financial Information and Financial Ratios

Key Financial Information	2025 HK\$'000	2024 HK\$'000
Revenue	8,408,911	8,555,601
Gross profit	5,020,951	5,183,436
Loss before income tax	(236,590)	(785,008)
Loss for the year and Loss attributable to equity holders of the Company	(328,933)	(749,312)
Loss per share (HK cents) ^(Note)		
Basic	(6.23)	(13.74)
Diluted	(6.23)	(13.74)
Dividend per share (HK cents)		
Interim	8.0	4.0
Final	10.0	6.0
Key Financial Ratio		
Gross profit margin	59.7%	60.6%
Net loss margin	(3.9%)	(8.8%)
Current ratio	4.2	5.5

Note:

Basic loss per share is calculated by dividing loss attributable to the Company's equity holders by the weighted average number of ordinary shares of the Company in issue.

COMPANY HIGHLIGHTS

Analysis of revenue of the Group by products

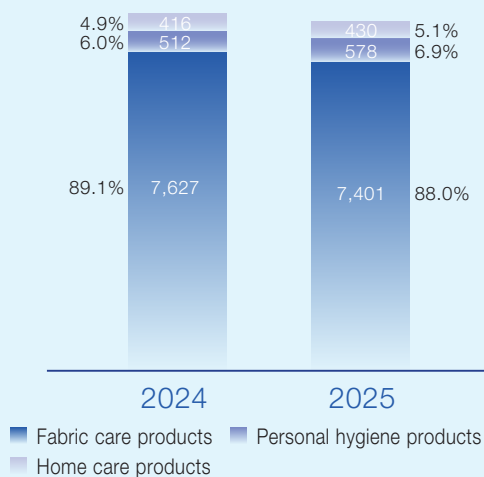
Revenue by products	2025		2024	
	HK\$'000	%	HK\$'000	%
Fabric care products	7,401,256	88.0	7,627,243	89.1
Personal hygiene products	577,993	6.9	512,405	6.0
Home care products	429,662	5.1	415,953	4.9
Total	8,408,911	100.0	8,555,601	100.0

Analysis of revenue of the Group by channels

Revenue by channels	2025		2024	
	HK\$'000	%	HK\$'000	%
Online sales channels	4,975,338	59.2	5,103,690	59.7
Offline distributors	3,074,355	36.5	3,128,989	36.5
Direct sales to key account clients	359,218	4.3	322,922	3.8
Total	8,408,911	100.0	8,555,601	100.0

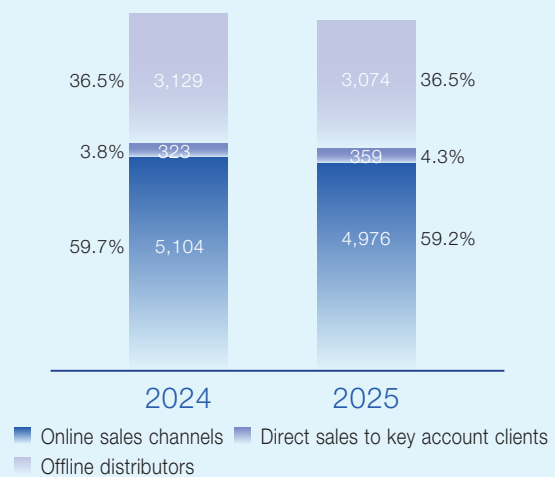
Revenue Breakdown by Products

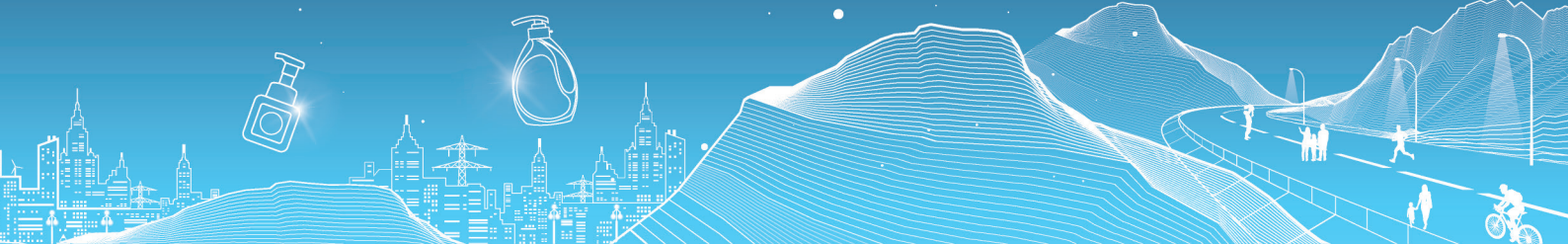
(HK\$ million)



Revenue Breakdown by Channels

(HK\$ million)





COMPANY HIGHLIGHTS

Production Bases

As at 31 December 2025, the Group had four production bases located in Guangzhou, Tianjin, Kunshan, and Chongqing of the People's Republic of China (the "PRC"). The map below illustrates the geographic coverage of the Group's production bases in the PRC as at 31 December 2025.



COMPANY HIGHLIGHTS

COMPANY HIGHLIGHTS

Company Products

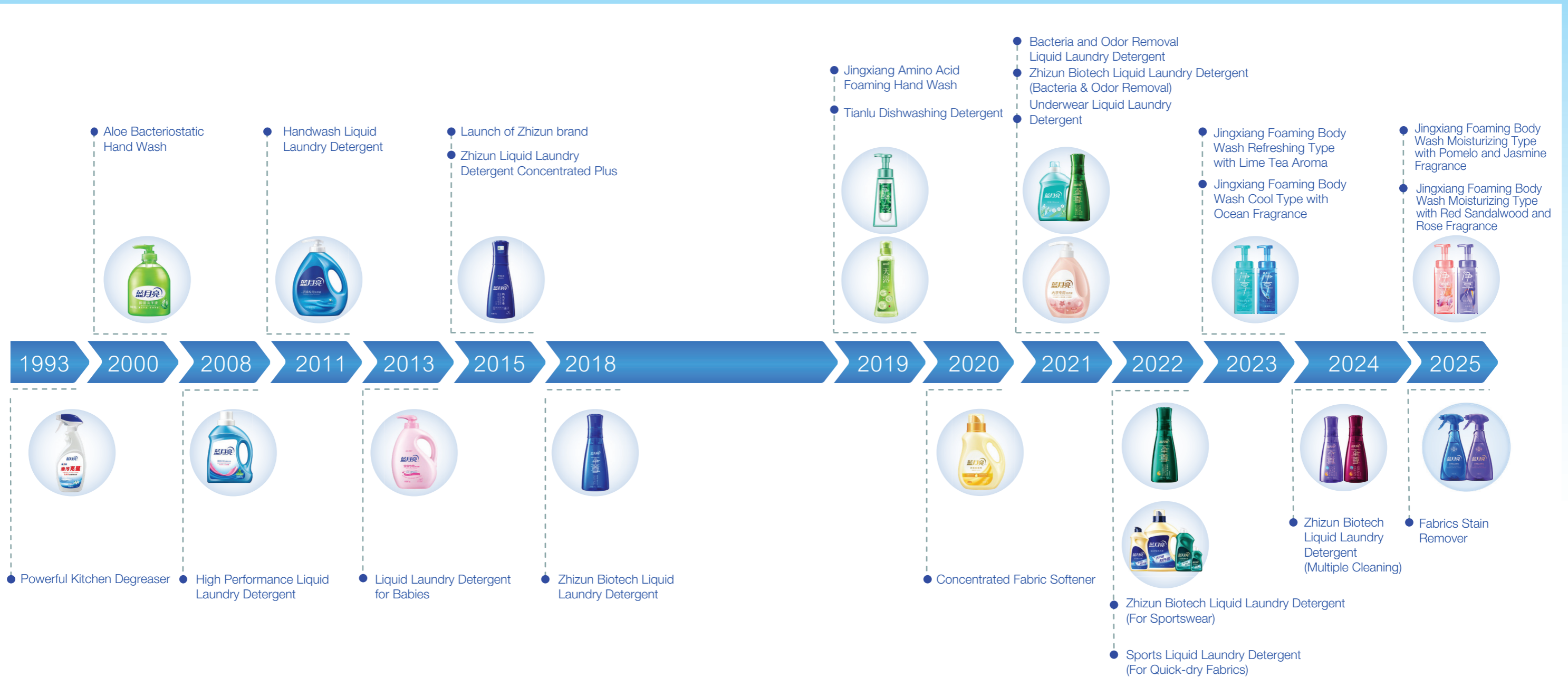
The following illustration demonstrates the coverage of the Group's product portfolio:



COMPANY HIGHLIGHTS

COMPANY HIGHLIGHTS

The following diagram illustrates the development milestones of our Group's products:





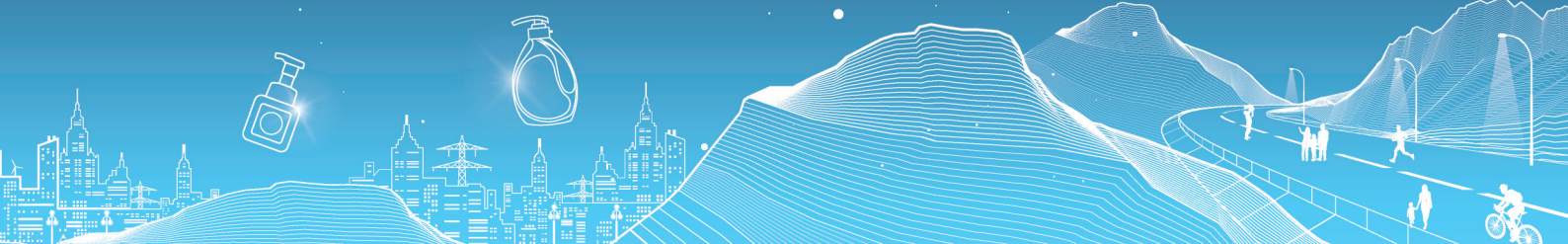
LETTER TO THE SHAREHOLDERS

Dear Shareholders,

In 2025, we improved investment accuracy and operational efficiency through restructuring, process optimization and refined management. For the year ended 31 December 2025, the Group achieved revenue of approximately HK\$8.41 billion, and its loss for the period substantially narrowed by 56.1% year-on-year. At the same time, Blue Moon has always adhered to technological innovation, so that users can experience better products and excellent services. Our product brands have been recognized by consumers and the market, which is a strong guarantee for our steady development this year.

In 2025, “Blue Moon” and “Zhizun” continued to maintain their leading positions in the liquid laundry detergent industry and the concentrated liquid laundry detergent category. The “Zhizun” liquid laundry detergent, as a new product category, has won wide acceptance and praise in the market due to its high concentration formula, which can reduce the consumption of packaging materials; instant water fusion, which can be adapted to the quick-wash mode of the washing machine; low foam and easy rinsing, saving water, electricity and washing time; as well as excellent performance, easy to use and other characteristics. The Group established contact with users through multi-channels and multi-touchpoints, and continued to strengthen in-depth communication with users through activities such as scenario-based communication, interactive science popularisation and “Journey to Cleanliness” (至尊潔淨之旅), so that users can experience the convenience and quality improvement of Blue Moon products and cleaning technology bring to their lives. The two brands, “Blue Moon” and “Zhizun”, have both attained the highest AAA rating in the Well-Known Trademark Brand Evaluation conducted by the China Trademark Association, making Blue Moon the first enterprise in the industry to receive this rating. In 2025, personal care product categories such as Jingxiang Foaming Body Wash achieved sound growth, which laid a solid foundation for the development of all categories of products under the Blue Moon Group.

In 2025, the Group increased investment in digitalization, empowered the transformation and upgrading of human resources management through digitalization to accelerate digitalization reconstruction of the entire chain. The Group drove supply chain optimization and improvement with data, and enhanced the intelligence of intelligent manufacturing and logistics, and greatly improved logistics efficiency.



LETTER TO THE SHAREHOLDERS

Looking forward to 2026 and beyond, in the face of the uncertain market environment, Blue Moon will continue to focus on users, uphold the long-term philosophy, and use innovation as the engine to provide consumers with more high-quality products and services that meet actual needs and align with environmental objectives, thereby integrating the beauty of cleanliness into the lives of thousands of families. Furthermore, we will explore and innovate in the ever-changing market environment, so as to enhance the competitiveness of enterprises and further optimise management and improve efficiency at the same time, so as to create sustainable investment returns for shareholders.

Finally, on behalf of the Blue Moon Group, I would like to express our sincere gratitude to every employee for their dedication and perseverance. I would also like to thank all partners and shareholders for their trust and support. Let us join hands for a better future in 2026.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

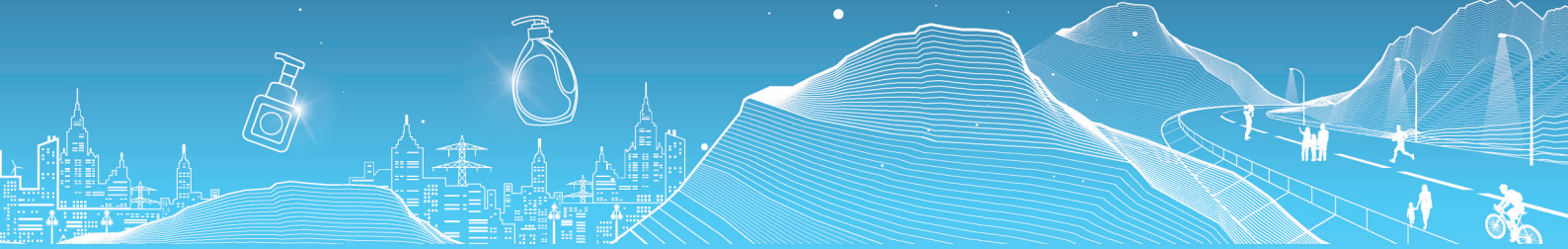
The Group has continued to advance strategic optimisation, focused on technological innovation and quality upgrading, and strived to achieve a dual improvement in operational efficiency and brand value. Amid the complex and volatile market environment, the Group has maintained steady development, and led the industry's healthy development with the responsibility and commitment as a leading enterprise.

The Group achieved significant improvement in its results of operation in 2025. For the year ended 31 December 2025, the Group achieved revenue of approximately HK\$8,409 million, and its loss for the year substantially narrowed by 56.1% year-on-year to approximately HK\$329 million, marking substantial progress in the Group's strategic adjustment and its entry into the next stage of development. The Group has accelerated its omni-channel layout and development, proactively expanded emerging channels and continuously optimised business operations, achieving steady development of channels.

The Group has always actively implemented the national “dual carbon” strategy and adhered to high industry standards. With an active ingredient concentration of up to 47%, far exceeding the requirements of national standards and industrial standards, Blue Moon's Zhizun Biotech Liquid Laundry Detergent innovatively adopts a multi-complex bio-enzyme technology that precisely decomposes various types of stains, achieving both high-efficiency decontamination and gentle fabric care, and enabling a win-win outcome of cleaning performance and water conservation and emission reduction. This has not only strongly driven the industry's transformation and upgrading toward the “Concentrate Plus” direction, but also accurately met consumers' sophisticated laundry and care needs. Blue Moon products are highly popular among consumers. In 2025, the two trademark brands, “Blue Moon” and “Zhizun”, both attained the highest AAA rating¹ in the Well-Known Trademark Brand Evaluation conducted by the China Trademark Association. Blue Moon is the first enterprise in the industry to receive this distinguished recognition.

Sources:

¹ China Trademark Association (中華商標協會)



MANAGEMENT DISCUSSION AND ANALYSIS

Fabric Care Products

The Group continued to strengthen its product portfolio in fabric care products, which generated revenue of HK\$7,401 million in 2025. Among the Group's products, Zhizun Biotech Liquid Laundry Detergent (至尊生物科技洗衣液) has performed steadily across major e-commerce platforms, consistently holding the leading position in the "618 Shopping Festival", the "Double 11" and other large-scale promotional events in terms of sales across multiple platforms.

In 2025, the Group continued to advance market penetration of its Zhizun "Concentrate Plus" liquid laundry detergent series. Through optimised channel layout, product portfolio, promotional strategies and platform resource allocation, the Group aimed to enhance product promotion, expand customer base and unlock new business growth opportunities with the empowerment of knowledge-based marketing. With core advantages including instantly dissolving in water within 1 second, precisely cleaning 8 items with only 1 pump, rapid cleaning, concentrated and high-efficiency, as well as eco-friendly, this series of products have benefited consumers with water, electricity and time saved, and have been receiving high recognition from consumers. Since its launch, Zhizun Biotech Liquid Laundry Detergent has performed consistently well across major e-commerce platforms, maintaining a cumulative positive review rate of over 98%. The Group also has continued to promote the marketing for best-selling categories such as underwear liquid laundry detergent (內衣專用洗衣液), bacteria and odor removal liquid laundry detergent (除菌去味洗衣液) and sports liquid laundry detergent (運動型洗衣液), continuously enrich its product portfolio and diversify its product portfolio to better meet consumers' diverse and sophisticated cleansing needs. Furthermore, through in-depth household surveys, the Group has discovered that children's clothing and school uniforms are easily stained with large areas of dispersed dust, sweat stains and oil stains during daily wear, making them difficult to clean. Targeting the pain points of fabric cleaning mentioned above, the Group conducted innovative research and development and launched the new product Blue Moon Fabrics Stain Remover (藍月亮衣物去漬劑). This product can deeply penetrate into fabric fibers to precisely target and break down all kinds of stains that are difficult to remove. Moreover, owing to the adoption of the convenient spray design, it is capable of not only evenly coating, but also precisely acting on key areas of stains such as collar and cuff. The use of Blue Moon Fabrics Stain Remover with Zhizun (至尊) series detergents can effectively improve the efficiency of fabric stain removal, while the usage process is convenient and hassle-free.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group has continued to deepen the strategic layout of knowledge-based marketing, and has systematically established a diverse communication system and an in-depth user communication mechanism through an integrated online and offline channel matrix with multi-touchpoints and full coverage, continuously reinforcing the brand's professional image and users' trust. Over 380 immersive experience events under the theme of "Journey to Cleanliness" (至尊潔淨之旅) were held annually with the laundry science and technology hub opened to consumers. These events were centered on scenario-based instruction, immersive experience and interactive science popularisation, and aimed to comprehensively and systematically convey the concept and awareness of scientific laundry in order to help consumers truly master the healthy laundry washing way that is efficient, hassle-free and fabric-friendly. To achieve the aim, the Group launched a series of activities, including inviting consumers to attend the laundry science and technology museum to explore secrets of cutting-edge technology, have a face-to-face dialogue with senior laundry scientists and take part in the professional practical training on washing and care. Meanwhile, the Group has created the brand IP known as "Remarkable Laundry Technologies for the Future (了不起的未來洗衣科技)", employing a variety of youthful and diverse narrative formats, including music videos, creative micro-dramas and light-weight micro-variety shows. This approach achieved entertaining and scenario-based communication and emotional connections with the new generation. Furthermore, the Group has continued to conduct in-depth collaboration with the Mid-Autumn Festival galas broadcast by CCTV and Hunan TV, promoting Blue Moon's brand philosophy of freshness, cleanliness, reunion and a better life.

Blue Moon Liquid Laundry Detergent has continued to receive widespread recognition from consumers and the industry. According to statistics from the China National Commercial Information Center (中華全國商業信息中心), Blue Moon Liquid Laundry Detergent ranked first in terms of overall market share among similar products for 16 consecutive years (2009-2024)¹. Based on the China Brand Power Index (C-BPI) brand ranking and analysis report released by Chnbrand, Blue Moon Liquid Laundry Detergent topped the C-BPI list for 15 consecutive years (2011-2025)².

Sources:

- 1 China National Commercial Information Center (中華全國商業信息中心)
- 2 Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)



MANAGEMENT DISCUSSION AND ANALYSIS

Personal hygiene products

In 2025, revenue from personal hygiene products reached HK\$578 million, representing a year-on-year increase of 12.8%. The increase was mainly attributable to the optimisation and expansion of the Group's online and offline channels, as well as the launch of new products.

In the personal care segment, the Group launched the new product of Jingxiang Foaming Body Wash Moisturizing Type (淨享泡沫沐浴露水潤型). The product adopts micron-sized foam technology, allowing a single pump to deliver dense foam without the need of rubbing; with easy-rinse formula, it can be rinsed off immediately with no slippery or sticky residue; formulated with multiple amino acid surfactants, combined with hydration-balancing technology and high-moisturizing ingredients, it achieves an average moisture retention rate of over 98%, truly achieving efficient cleansing, mild moisturisation, and comfortable experience, and caters to the hydrating and moisturizing needs of all seasons.

The Group has steadily advanced its market layout of Jingxiang Foaming Body Wash: the Group successively enriched the portfolio of new products in the Jingxiang series in 2025. The Group collaborated with CCTV News to launch the thematic campaign “Blue Moon Renewed Technology, Unveils the New Jingxiang Experience”, which greatly enhanced the influence and value of the Jingxiang brand. At the same time, the Group partnered with brand ambassador Tan Jianci, and launched the co-branded gift boxes across multiple platforms such as JD.com, Tmall, and Douyin. On the launch day, Jingxiang Foaming Body Wash ranked Top 1 on the sales charts of new body wash on multiple platforms, achieving a simultaneous growth in brand awareness and product sales.

Blue Moon liquid soap has also been widely recognised by consumers and the industry. According to statistics from China National Commercial Information Center (中華全國商業信息中心), Blue Moon liquid soap ranked first in the overall market share of similar products for 13 consecutive years (2012-2024)¹. According to the China Brand Power Index Brand Ranking and Analysis Report released by Chnbrand, Blue Moon liquid soap ranked first in the China Brand Power Index (C-BPI) for 15 consecutive years (2011-2025), thanks to its outstanding brand strength².

Sources:

- 1 China National Commercial Information Center (中華全國商業信息中心)
- 2 Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)



MANAGEMENT DISCUSSION AND ANALYSIS

Home care products

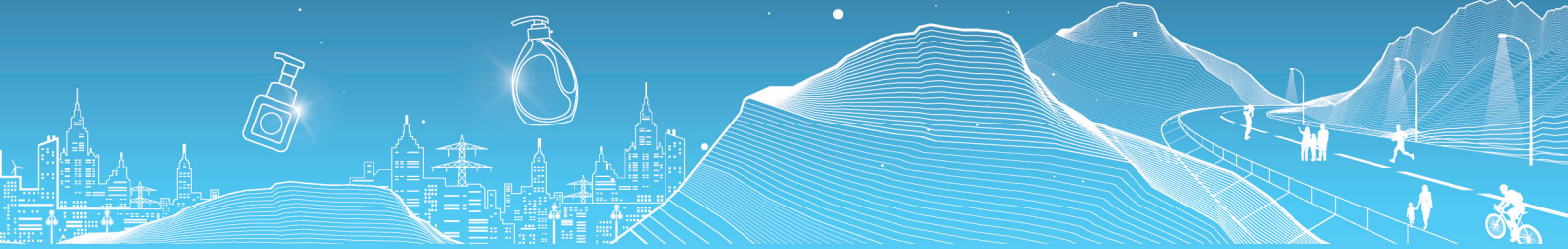
In 2025, the revenue of the Group's home care products reached HK\$430 million, representing a year-on-year increase of 3.3%, with sales revenue maintaining a steady growth. The Group continued to innovate its products and expand its market presence, improving its portfolio of professional home care products for various scenarios. The home care products cover a wide range of scenarios such as utensil, fruit and vegetable washing, kitchen hood cleaning, toilet cleaning, washing machine cleaning, floor cleaning, glass cleaning, furniture cleaning and household disinfection, providing solutions for consumers' diversified daily living scenarios. Through omni-channel synergy, optimisation of product mix, expansion of offline distribution network and in-store display, adjustment of resource allocation of online platform, expansion of customer base for home care categories, the Group can achieve an increase in market penetration through a two-pronged approach.

Supply chain management

The Group has deepened its comprehensive quality management. Adhering to the philosophy of "prevention first, process control and continuous improvement", the Group has implemented quality control throughout its entire process, established a stable and reliable quality assurance system, and built a solid line of defense for product quality to serve a broad consumer base.

At the same time, the Group expanded the application of digital factories, drove supply chain optimisation and on-site improvement with data, and enhanced the intelligence of manufacturing and logistics through the technology integration of IT (Information Technology) and OT (Operational Technology). The Group optimised the operation of factories and logistics bases across the country to adapt to the development of new channels, and improved the product delivery model, so as to elevate the e-commerce 2C delivery capabilities to industry-leading level.

On the other hand, focusing on supply chain synergy and cost control, the Group achieved improvement in both efficiency and effectiveness. Adhering to the supplier collaboration strategy, we deepened the professional integration of core businesses; optimised production and logistics costs, improved e-commerce packaging protection, enhanced operational efficiency, and accurately optimised costs.



MANAGEMENT DISCUSSION AND ANALYSIS

Talent Management

In response to the development trend of emerging markets and the needs of business strategies, the Group actively pioneered the selection, cultivation and motivation of innovative talents, so as to inject new impetus into the strategic growth of the Company. Adhering to the concept of “talent-driven business”, the Group continued to increase the introduction of high-quality talents. In the development of talents’ professional ability, the Group paid attention to “unleashing potential and applying knowledge in practice”, and encouraged employees to deepen their cultivation, refinement and development in core business and specialised technologies to improve their professional capabilities. In terms of incentive mechanism, the Group continued to optimize the job grade system to broaden career development paths for talent, promoted the precise empowerment of remuneration strategy and strengthened the orientation of value creation, and implemented share incentive plans to build a long-term system for shared growth. In addition, the Group empowered the transformation and upgrading of human resources management through digitalisation to accelerate digitalisation reconstruction of the entire chain.

Optimisation and breakthrough of cost structure

In 2025, the Group continued to deepen its lean management and cost control, and significantly optimised its overall cost structure.

Selling and distribution expenses decreased by 11.5% year-on-year, mainly due to the continuous optimisation of sales channel structure, the precise allocation of market resources and the in-depth application of digital marketing, which effectively reduced channel promotion and logistics-related costs and significantly improved cost efficiency.

General and administrative expenses decreased by 12.8% year-on-year, mainly due to the streamlining of the organisational structure, the automation upgrading of business processes, and the implementation of the shared service system, which continuously released management efficiency and promoted a steady decline in administrative expenses.

Financial Review

The Group recorded a substantial reduction of 56.1% in the loss attributable to equity holders of the Company for the year ended 31 December 2025, being HK\$328.9 million, as compared to the loss attributable to equity holders of the Company of approximately HK\$749.3 million for the year ended 31 December 2024, for reasons of improvement in operational efficiency and the benefits of channel strategy investments.

Revenue

For the year ended 31 December 2025, the Group recorded revenue of approximately HK\$8,408.9 million, which remained stable as compared to approximately HK\$8,555.6 million for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth a breakdown of the Group's revenue from sales of products by product categories for the periods indicated.

	Year ended 31 December				
	2025		2024		Change (%)
	Revenue HK\$'000	Total (%)	Revenue HK\$'000	Total (%)	
Fabric care products	7,401,256	88.0	7,627,243	89.1	(3.0)
Personal hygiene products	577,993	6.9	512,405	6.0	12.8
Home care products	429,662	5.1	415,953	4.9	3.3
Total	8,408,911	100.0	8,555,601	100.0	(1.7)

The sales of fabric care products and home care products remained stable for the year ended 31 December 2025 compared to the year ended 31 December 2024. On the other hand, the sales of personal hygiene products for the year ended 31 December 2025 recorded a 12.8% growth compared to the year ended 31 December 2024, mainly driven by the Group's improved online and offline marketing and the launch of new products.

The following table sets forth a breakdown of the Group's revenue contribution by channels for the periods indicated.

	Year ended 31 December				
	2025		2024		Change (%)
	Revenue HK\$'000	Total (%)	Revenue HK\$'000	Total (%)	
Online sales channels	4,975,338	59.2	5,103,690	59.7	(2.5)
Offline distributors	3,074,355	36.5	3,128,989	36.5	(1.7)
Direct sales to key account clients	359,218	4.3	322,922	3.8	11.2
Total	8,408,911	100.0	8,555,601	100.0	(1.7)

The sales via online channels and sales to offline distributors remained stable for the year ended 31 December 2025 compared to the year ended 31 December 2024. The sales to key account clients increased by around 11.2% during the year ended 31 December 2025 compared to the year ended 31 December 2024, primarily due to better sales performance at major key account clients.



MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Cost of sales remained stable at approximately HK\$3,388.0 million for the year ended 31 December 2025 as compared to approximately HK\$3,372.2 million for the year ended 31 December 2024.

Gross Profit

The Group's gross profit decreased by approximately 3.1% to approximately HK\$5,021.0 million for the year ended 31 December 2025 as compared to approximately HK\$5,183.4 million for the year ended 31 December 2024. The gross profit margin of the Group remained relatively stable, with a slight decrease from 60.6% for the year ended 31 December 2024 to 59.7% for the year ended 31 December 2025.

Other Income and Other Gains/(Losses), Net

The Group recorded a net gain in other income and other gains of approximately HK\$60.9 million for the year ended 31 December 2025 compared to a net loss of approximately HK\$29.5 million for the year ended 31 December 2024, primarily due to the net foreign exchange gains recognised during the year. The net foreign exchange gains for the year ended 31 December 2025 mainly arose from the revaluation of the offshore assets held by the Group in United States dollar ("USD") and Renminbi ("RMB"), as the USD and RMB appreciated against HK\$ during the year ended 31 December 2025.

Selling and Distribution Expenses

The reasons for the Group's selling and distribution expenses decreased by approximately 11.5% from approximately HK\$5,048.5 million for the year ended 31 December 2024 to approximately HK\$4,468.0 million for the year ended 31 December 2025 was primarily due to optimisation of marketing and omni-channel sales strategy.

General and Administrative Expenses

The Group's general and administrative expenses decreased by approximately 12.8% from HK\$1,103.2 million for the year ended 31 December 2024 to approximately HK\$961.5 million for the year ended 31 December 2025, which was primarily due to the reduction in staff costs as a result of the improvement of the operational efficiency.

Provision for Impairment Losses of Financial Assets

Additional provision for impairment losses of financial assets amounted to approximately HK\$7.4 million was provided for the year ended 31 December 2025.

Operating Loss

As a result of the foregoing, the Group recorded an operating loss of approximately HK\$355.1 million for the year ended 31 December 2025 as compared to an operating loss of approximately HK\$1,004.2 million for the year ended 31 December 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Income and Costs

Finance income decreased by approximately 45.6% from approximately HK\$223.8 million for the year ended 31 December 2024 to approximately HK\$121.8 million for the year ended 31 December 2025.

Finance costs decreased by approximately 29.0% from approximately HK\$4.7 million for the year ended 31 December 2024 to approximately HK\$3.3 million for the year ended 31 December 2025.

Loss before Income Tax

As a result of the foregoing, the Group recorded a loss before income tax of approximately HK\$236.6 million for the year ended 31 December 2025, which was substantially reduced by 69.9% as compared to a loss before income tax of approximately HK\$785.0 million for the year ended 31 December 2024.

Income Tax Expense/(Credit)

The Group recorded an income tax expense of approximately HK\$92.3 million for the year ended 31 December 2025, with an effective tax rate of approximately -39.0%, compared to an income tax credit of approximately HK\$35.7 million and an effective tax rate of approximately 4.5% for the year ended 31 December 2024, primarily due to the revised utilisation plan of deductible temporary difference.

Loss for the Year and Loss Attributable to Equity Holders of the Company

As a result of the foregoing, the Group's loss attributable to equity holders of the Company was approximately HK\$328.9 million for the year ended 31 December 2025, which was substantially reduced by 56.1% as compared to the loss attributable to equity holders of the Company of approximately HK\$749.3 million for the year ended 31 December 2024. Such reduction in losses was mainly due to the improvement in the Group's overall operational efficiency and the reflection of the results of its channel strategy investments. Cost optimisation and process simplification have enabled the Group to allocate resources more accurately and efficiently, cutting down redundant expenditures. Meanwhile, the Group has continued to invest in the promotion of new products and knowledge-based marketing, identifying "achieving omni-channel reach for concentrated liquid laundry detergents and other new products" as one of its core strategic expenditures. It is committed to popularising the method of scientific washing and expanding the consumer reach of new products. Investment in channel strategy has expanded the market coverage of products and enhanced customer reach. Through continuous investment in emerging e-commerce platforms and promotion of new products, the Group has successfully attracted more new customers among the younger demographic.



MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Group further consolidated its product market share by consistently driving the popularisation of concentrated liquid laundry detergents. In the second half of 2025, the Group began to actively promote its JingXiang foaming body wash (淨享泡沫沐浴露), which features an innovative foam technology and a mild amino acid cleaning formula. This product meets consumers' demands for convenient, efficient, safe and healthy lifestyles. By expanding the promising personal care market and optimising its product mix, the Group has laid a solid foundation for the further development of full-category products in the future.

Basic and Diluted Loss Per Share

Loss per share (basic and diluted) for the year ended 31 December 2025 was approximately HK6.23 cents and HK6.23 cents respectively.

Liquidity and Financial Resources

The total bank deposits and cash of the Group, comprising the Group's cash and cash equivalents and fixed deposits, decreased by approximately 29.5% from approximately HK\$5,270.5 million as at 31 December 2024 to approximately HK\$3,716.2 million as at 31 December 2025, primarily due to net cash used in operating activities, the payment of 2024 final dividend and 2025 interim dividend during the year and purchase of shares held for the Group's share award plan.

As at 31 December 2025, the net current assets of the Group were approximately HK\$5,144.5 million (31 December 2024: approximately HK\$6,350.9 million). The Group's current ratio (current assets/current liabilities) was approximately 4.16 times as at 31 December 2025 (31 December 2024: approximately 5.46 times).

As at 31 December 2025, the Group had no borrowings (31 December 2024: Nil). Gearing ratio, which is calculated using total bank borrowings divided by total equity, is therefore not applicable as at 31 December 2025 and 31 December 2024.

Capital Expenditure and Capital Commitment

During the year ended 31 December 2025, the capital expenditure of the Group was approximately HK\$188.0 million, which was primarily used to finance the Group's production capacity expansion for its existing production base.

As at 31 December 2025, the capital commitment of the Group amounted to approximately HK\$141.2 million, which was primarily related to the expansion in production capacity of the Group's existing production base.

Pledge of Assets of the Group

As at 31 December 2025, the Group did not have any pledge on assets.



MANAGEMENT DISCUSSION AND ANALYSIS

Exposure to Foreign Exchange

The majority of the Group's subsidiaries are operating in the PRC with most of the transactions and assets (other than the unutilised proceeds raised from the Global Offering (as defined in the Prospectus) denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Due to the simplicity of the Group's financial structure and current operations, save as aforementioned, no hedging activities are undertaken by management of the Group.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

Future Plan for Material Investments or Capital Assets

Save as disclosed in this report under "Capital Expenditure and Capital Commitment" and "Use of Unutilised Net Proceeds from the Company's Global Offering", the Group did not have any future plan for other material investments or acquiring capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Awards

The Group has received numerous awards and recognitions in recognition of its brand, business operations, products and corporate social responsibility achievements. The table below sets forth a summary of significant awards and recognitions that the Group has received:

Awards/Certifications	Awarding Year	Awarding Body
1 Blue Moon liquid laundry detergent and liquid soap brands ranked first in China Brand Power Index (C-BPI) (藍月亮洗衣液、洗手液獲中國品牌力指數(C-BPI)第一名)	2011-2025	Chnbrand (Beijing) Brand Consulting Co., Ltd. (中企品研(北京)品牌顧問股份有限公司)
2 Blue Moon liquid laundry detergent and liquid soap ranked first in comprehensive market share among similar products (藍月亮洗衣液及洗手液榮列同類產品市場綜合佔有率第一位)	2009-2024 (liquid laundry detergent) 2012-2024 (liquid soap)	China National Commercial Information Center (中華全國商業信息中心)
3 Responsible Brand Award at the 15th China Philanthropy Festival (第十五屆中國公益節年度責任品牌獎)	2015-2025	The 15th China Philanthropy Festival Organizing Committee (第十五屆中國公益節組委會)
4 Caring Company (商界展關懷)	2021-2025	The Hong Kong Council of Social Services (香港社會服務聯會)
5 Both the “Blue Moon” and “Zhizun” trademarks have been awarded the highest AAA rating in Famous Trademark Brand Evaluation Certification (“藍月亮”及“至尊”兩大商標品牌獲得知名商標品牌評價的最高級 AAA 級)	2025.9.3-2028.9.2	The China Trademark Association (中華商標協會)
6 Hong Kong Corporate Governance Excellence Awards (香港公司管治卓越獎)	2024-2025	The Chamber of Hong Kong Listed Companies (香港上市公司商會)
7 ESG Excellence Awards – Honourable Mention (環境、社會及管治卓越獎評獎委員會嘉許)	2025	The Chamber of Hong Kong Listed Companies (香港上市公司商會)





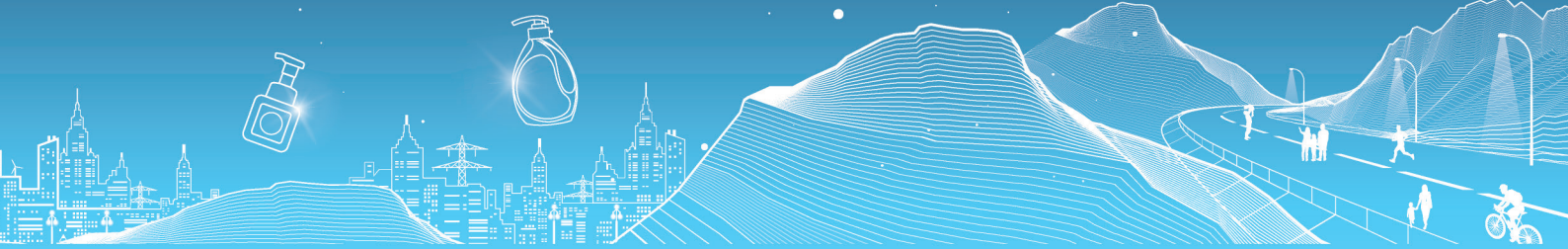
MANAGEMENT DISCUSSION AND ANALYSIS

Research and Development

The Group's business has benefited from its strong track record in research and development. In 2025, the Group devoted considerable resources in enhancing its research and development capabilities from its internal resources as well as the net proceeds raised from the Global Offering (as defined in the prospectus of the Company dated 4 December 2020 (the "**Prospectus**")). The Group has a two-pronged research and development focus, including (i) introducing new products to meet evolving consumer preferences and to elevate user experience; and (ii) developing and sharing scientific and practical cleaning methods with consumers.

Human Resources and Remuneration Policy

The Group had approximately 6,514 employees as at 31 December 2025. Salaries of employees are maintained at competitive levels. In recognition of the contribution by our employees to the Group, the board of directors of the Company (the "Board" or the "Director(s)") has also adopted the 2021 Share Award Plan and the 2022 Share Award Plan (as defined below) on 3 June 2021 and 29 March 2022, respectively, and the Board has approved amendments to the 2021 Share Award Plan and the 2022 Share Award Plan on 26 March 2024. The details of which are set out in the announcement of the Company dated 26 March 2024. Further details of the 2021 Share Award Plan and the 2022 Share Award Plan are set out under the "Report of the Directors" section on pages 29 to 58 of this report.



MANAGEMENT DISCUSSION AND ANALYSIS

Future Prospects

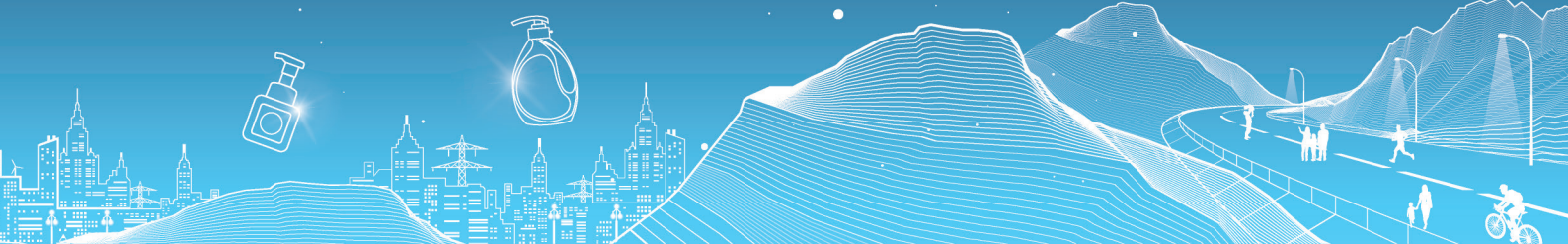
In 2025, the Group's strategic adjustments yielded remarkable results, with overall competitiveness continuously enhanced, losses substantially narrowed, and operational resilience fully demonstrated. Looking ahead, with a user-centric approach, the Group will continue to adhere to the principles of innovation, green development and sustainability, closely monitor market trends, continuously optimise its business strategies, increase investment in research and development, and launch more high-quality products that meet consumer needs and align with environmental objectives, thereby providing users with a lifetime of trouble-free cleaning solutions. The Group will focus on the following core strategic directions, and accelerate high-quality development and long-term sustainable growth.

- **Develop comprehensive household cleaning solutions:** the Group will continue to upgrade its existing product lines and refine its product matrix across all scenarios spanning fabric care, personal care and home care to consistently enhance the professionalism and convenience of its comprehensive household cleaning solutions. At the same time, the Group will actively expand into new product categories to better meet consumers' diverse needs.
- **Enhance omni-channel sales efficiency and product penetration:** the Group will optimise coordination across its sales channels, promoting deep integration of its online and offline channels. In terms of online channels, the Group will focus on refining its product mix and improving the effectiveness of its targeted marketing campaigns, while strengthening its layout and penetration in social e-commerce and emerging platforms. In terms of offline channels, the Group will implement refined management for distributors, deepen its channels to lower-tier cities, expand regional coverage and enhance in-store execution. Through establishing an omni-channel integration, the Group will reach more consumers precisely.
- **Enhance knowledge-based marketing:** the Group will continue to conduct thematic campaigns such as "scientific washing" (科學洗滌) and "Journey to Cleanliness" (至尊潔淨之旅) to strengthen consumers' understanding of and trust in its product functions and brand philosophies. At the same time, through innovating forms of IP content delivery and leveraging short videos, live streaming and interactive marketing, the Group will seek to enhance its brand communication effectiveness.



MANAGEMENT DISCUSSION AND ANALYSIS

- **Digitalisation and sustainable development:** the Group will continue to advance the development of its digital factories, promoting intelligent manufacturing and data-driven optimisation of production and operation. We will also promote green packaging system to reduce plastic usage and carbon emissions. On the supply chain side, the Group will continuously strengthen its system resilience and improve its risk response capabilities. In terms of corporate governance, the Group will rigorously implement environmental, social and governance principles and further integrate environmental responsibility, social contribution, and corporate governance to build a core competitiveness in sustainable development.
- **Continuously deepen talent strategy:** adhering to talent-driven development, the Group will continuously attract and cultivate high-level and versatile talents, improve its incentive and development systems, empower human resources management with digitalisation, and build an agile and efficient organisation, so as to support the Company's high-quality growth.
- **Dividend:** the Group will continuously review its dividend policy to provide stable and sustainable return to its shareholders.



REPORT OF THE DIRECTORS

The Board is pleased to submit their report together with the audited financial statements for the year ended 31 December 2025. All references in this section to other sections, parts of or notes in this report, form part of this “Report of the Directors” section.

Principal Activities

The Company and its subsidiaries are principally engaged in the design, research, development, manufacture and sale of (i) personal hygiene products, (ii) home care products, and (iii) fabric care products in China. The principal activities and other particulars of the principal subsidiaries of the Group are set out in note 14 to the consolidated financial statements.

Business Review

A fair review of the business of the Group, a discussion and analysis of the Group’s performance during the year, the material factors underlying its results and the Group’s financial position are provided in the “Management Discussion and Analysis” section on pages 14 to 28 of this report.

A description of the principal risks and uncertainties that the Company may be facing, and the future development of the Group’s business are discussed in the “Management Discussion and Analysis” section on pages 14 to 28 of this report and “Corporate Governance Report” on pages 64 to 86 of this report.

A discussion on the Group’s environmental policies and performance, the Group’s compliance with relevant laws and regulations that have a significant impact on the Group, and an account of the Group’s key relationships with its stakeholders are provided in the “Corporate Governance Report” section on pages 64 to 86 of this report.

Additionally, the financial risk management objectives and policies of the Company can be found in note 3 to the consolidated financial statements.

These discussions form part of this Report of the Directors.

Results and Dividends

The results of the Group for the year ended 31 December 2025 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 93 to 195.

The Board recommended the payment of a final dividend for the year ended 31 December 2025 of HK10.0 cents per ordinary share out of the share premium account of the Company, totalling HK\$557.6 million, subject to the passing of an ordinary resolution by the Shareholders in the upcoming annual general meeting of the Company (“AGM”).



REPORT OF THE DIRECTORS

There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

Annual General Meeting and Closure of Register of Members

The AGM will be held on Friday, 22 May 2026. The notice of AGM will be sent to the shareholders of the Company (the “**Shareholders**”) on Friday, 24 April 2026.

The register of members of the Company will be closed as follows:

- (a) For the purpose of ascertaining the Shareholder’s eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 18 May 2026.
- (b) For the purpose of ascertaining Shareholder’s eligibility for the final dividend, the register of members of the Company will be closed from Monday, 1 June 2026 to Wednesday, 3 June 2026, both days inclusive, during which period no transfer of ordinary share(s) in the share capital of the Company with a par value of HK\$0.01 each (the “**Shares**”) will be registered. In order to qualify for the above mentioned final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Friday, 29 May 2026.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Financial Summary

The financial summary of the Group is set out on page 196 of this report. The summary does not form part of the audited financial statements.

Share Capital

The Company had 5,864,091,256 Shares in issue as at 31 December 2025. Details of the movements in the Shares during the year are set out in note 24 to the consolidated financial statements.



REPORT OF THE DIRECTORS

Shares Issued

During the year, as a result of the exercise of share options under the Pre-IPO Share Option Scheme, a total of 987,850 fully paid Shares were issued for a total consideration of HK\$3,714,000. Details of the Shares issued during the year are set out in note 24 to the consolidated financial statements.

Debenture Issued

The Group did not issue any debenture for the year ended 31 December 2025.

Distributable Reserves

As at 31 December 2025, the reserves of the Company available for distribution to Shareholders (comprising the share premium account and retained profits) amounted to approximately HK\$10,826.1 million (2024: HK\$11,475.3 million). The movements in distributable reserves during the year are set out in note 36 to the consolidated financial statements.

Charitable Donations

The Group's external charitable donations for the year ended 31 December 2025 amounted to approximately HK\$15.2 million.

Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment of HK\$163.8 million (2024: HK\$139.9 million). Details of the movements in property, plant and equipment are set out in note 16 to the consolidated financial statements.

Borrowings

As at 31 December 2025, the Group had no borrowings (31 December 2024: nil).

Major Customers and Suppliers

The percentage of the five largest customers combined is less than 30% of the Group's total revenue.

Purchases from the Group's five largest suppliers accounted for approximately 40.6% of the Group's total purchases for the year and purchases from the largest supplier included therein accounted for approximately 10.2% of the Group's total purchases for the year.

None of the Directors, their associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the Shares) had any interest in any of the five largest suppliers or customers.



REPORT OF THE DIRECTORS

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the second amended and restated articles of association of the Company (the “**Articles of Association**”) or applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company’s securities.

Directors

The Directors during the year and up to the date of this report were:

Executive Directors

Ms. PAN Dong (*Chairman*)

Mr. LUO Qiuping (*Chief Executive Officer*)

Ms. LUO Dong

Mr. POON Kwok Leung

Ms. XIAO Haishan

Independent Non-executive Directors

Mr. Bruno Robert MERCIER

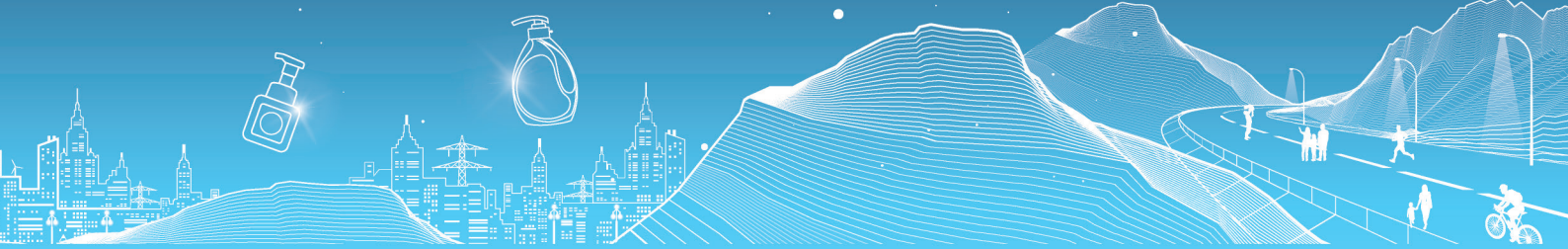
Ms. NGAN Edith Manling

Mr. HU Yebi

Pursuant to Article 84(1) of the Articles of Association, Ms. PAN Dong, Mr. LUO Qiuping and Mr. Bruno Robert MERCIER shall retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election at the forthcoming AGM.

Change in Directors’ Information

Save for Mr. POON Kwok Leung, there are no changes in the Directors’ biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The biographical details of the Directors and senior management as at the date of this report are set out in this report on pages 59 to 63.



REPORT OF THE DIRECTORS

Confirmation of Independence

The Company has received from each of the independent non-executive directors of the Company (the “INED(s)”) an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the INEDs to be independent.

Directors’ Service Contracts

Each of the Directors (including the INEDs) were appointed for a term of three years and are subject to rotation and re-election at the AGM as and when required under the Articles of Association and the Listing Rules.

Under the respective appointment letters entered into between each Director and the Company, the annual Director’s fee payable by the Company to each of the Directors is HK\$500,000 per annum. An additional fee of HK\$50,000 per annum will be payable to a member on each of the Audit Committee, Remuneration Committee and Nomination Committee or the chairman of each of the Remuneration Committee and Nomination Committee, while an additional fee of HK\$100,000 per annum will be payable to the chairman of the Audit Committee.

Each of the Directors is entitled to reimbursement from the Company for all reasonable expenses necessarily incurred in connection with the performance and discharge of his or her duties under his or her letter of appointment.

None of the Directors has entered into any service contracts with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Information relating to the remuneration of the Directors is set out in note 9 to the consolidated financial statements.

Directors’ Interests in Transactions, Arrangements or Contracts of Significance

No transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, were subsisting during or at the end of the year ended 31 December 2025, except as disclosed under the section headed “Connected Transactions and Continuing Connected Transactions” and note 9 to the consolidated financial statements.

Save as disclosed in “Connected Transactions and Continuing Connected Transactions” in this report, no contract of significance (including the provision of services) between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year ended 31 December 2025 or at any time during 2025.

REPORT OF THE DIRECTORS

Directors' Interests in Competing Business

Pursuant to Rule 8.10 of the Listing Rules, each of the Directors has confirmed that he/she does not have any interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly with the Group's business.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2025, the interests and/or short positions (as applicable) of the Directors in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the Company's associated corporations ("**Associated Corporations**") (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

(i) The Company

Directors	Nature of interest	Number of Shares	Approximate % of Shares held ⁽¹⁾
Ms. PAN Dong ⁽²⁾	Interest in controlled corporation	4,326,400,000	73.78
Mr. LUO Qiuping ⁽²⁾	Interest of spouse	4,326,400,000	73.78
Ms. LUO Dong ⁽³⁾	Beneficial owner	63,400,000	1.08
Mr. POON Kwok Leung ⁽⁴⁾⁽⁵⁾	Beneficial owner	8,000,000	0.14
	Interest in controlled corporation	3,500,000	0.06
Ms. XIAO Haishan ⁽⁶⁾	Beneficial owner	6,837,500	0.12
Mr. Bruno Robert MERCIER ⁽⁷⁾	Beneficial owner	54,000	0.00

REPORT OF THE DIRECTORS

Notes:

- (1) As at 31 December 2025, the total number of issued Shares was 5,864,091,256.
- (2) Ms. PAN Dong ("**Ms. PAN**") was the sole shareholder of ZED Group Limited ("**ZED**"), which directly held 73.78% Shares of the Company. Each of Ms. PAN and Mr. LUO Qiuping ("**Mr. LUO**") (the spouse of Ms. PAN) was deemed or taken to be interested in all the Shares which are beneficially owned by ZED for the purpose of Part XV of the SFO.
- (3) Ms. LUO Dong was granted share options under the Pre-IPO Share Option Scheme to subscribe for 4,800,000 Shares. She was granted 58,600,000 awarded Shares pursuant to the 2022 Share Award Plan, of which 27,500,000 awarded Shares have been vested with lock-up arrangements and 31,100,000 awarded Shares remained unvested.
- (4) Mr. POON Kwok Leung ("**Mr. POON**") was granted share options under the Pre-IPO Share Option Scheme to subscribe for 975,000 Shares. He was granted 7,000,000 awarded Shares pursuant to the 2022 Share Award Plan of which 5,400,000 awarded Shares have been vested with lock-up arrangements and 1,600,000 awarded Shares remained unvested. He also directly held 25,000 Shares.
- (5) Mr. POON was the sole shareholder of Allied Power Limited ("**APL**"), which in turn held directly 0.06% Shares. Therefore, Mr. POON was deemed or taken to be interested in all the Shares which were beneficially owned by APL for the purpose of Part XV of the SFO.
- (6) Ms. XIAO Haishan ("**Ms. XIAO**") was granted share options under the Pre-IPO Share Option Scheme to subscribe for 837,500 Shares. She was granted 6,000,000 awarded Shares pursuant to the 2022 Share Award Plan of which 4,800,000 awarded Shares have been vested with lock-up arrangements and 1,200,000 awarded Shares remained unvested.
- (7) Mr. Bruno Robert MERCIER ("**Mr. MERCIER**") directly held 54,000 Shares.

(ii) Associated Corporations

Directors	Associated Corporations	Nature of interest	Number of ordinary shares interested	Approximate % of shares held ⁽¹⁾
Ms. PAN Dong ⁽²⁾	ZED Group Limited	Beneficial owner	1	100
Mr. LUO Qiuping ⁽²⁾	ZED Group Limited	Interest of spouse	1	100

Notes:

- (1) The percentage has been compiled based on the total number of ordinary shares of the respective Associated Corporations in issue as at 31 December 2025.
- (2) Ms. PAN was the sole shareholder of ZED. Therefore, each of Ms. PAN and Mr. LUO (the spouse of Ms. PAN) was deemed or taken to be interested in all the shares of ZED for the purpose of Part XV of the SFO.

Details of the share options duly granted to the Directors pursuant to the Pre-IPO Share Option Scheme are set out in the section headed "Pre-IPO Share Option Scheme" of this report.

REPORT OF THE DIRECTORS

All the interests disclosed in sections (i) and (ii) above represent long positions in the Shares or the shares of the Associated Corporations. Save as disclosed herein, as at 31 December 2025, none of the Directors had any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its Associated Corporations which (i) had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) pursuant to section 352 of the SFO, had to be entered in the register referred to therein or (iii) pursuant to the Model Code, had to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests in Shares and Underlying Shares

As at 31 December 2025, the interests of persons (other than the Directors) whose interest in the Shares or underlying Shares (within the meaning of Part XV of the SFO) of the Company which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Nature of Interest	Number of Shares	Approximate % of shareholding ⁽¹⁾
ZED Group Limited	Beneficial owner	4,326,400,000	73.78
HHLR Advisors, Ltd.	Investment manager	527,422,500	8.99
HHLR Fund, L.P. ⁽³⁾	Beneficial owner/Interest in controlled corporation	526,542,800	8.98
HCM BM Holdings Ltd. ⁽²⁾	Beneficial owner	500,000,000	8.53

Notes:

(1) As at 31 December 2025, the total number of issued Shares was 5,864,091,256.

(2) HCM BM Holdings, Ltd. was a company incorporated under the laws of the British Virgin Islands with limited liability and was owned as to 95.32% by HHLR Fund, L.P. HHLR Fund, L.P. was a beneficial owner of 526,542,800 Shares.

All the interests disclosed in the table above represent long positions in the Shares or underlying Shares of the Company.

Save as disclosed herein, as at 31 December 2025, the Company had not been notified of any interests or short positions in the Shares or underlying Shares which was required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



REPORT OF THE DIRECTORS

Directors' Rights to Acquire Shares or Debentures

Apart from the subsection headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above and "Pre-IPO Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them, nor was the Company, any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other corporations.

Equity-Linked Agreements

The Board adopted the Pre-IPO Share Option Scheme on 23 September 2020. As at 31 December 2025, the Company has granted share options to subscribe for an aggregate of 61,651,000 Shares (representing approximately 1.05% of the total issued Shares (excluding treasury shares) as at the date of this report). All the share options have been granted before the first date on which the Shares are listed and traded on the Main Board of the Stock Exchange (being 16 December 2020) (the "**Listing Date**"). For further details, please refer to the subsection headed "Pre-IPO Share Option Scheme" below.

The Board adopted the 2021 Share Award Plan (as defined below) on 3 June 2021 and the 2022 Share Award Plan (as defined below) on 29 March 2022. The Board has approved amendments to the 2021 Share Award Plan and the 2022 Share Award Plan, the details of which are set out in the announcement of the Company dated 26 March 2024.

As at 31 December 2025, 276,670,999 share awards have been granted pursuant to the 2021 Share Award Plan to 610 employees and 119,600,000 share awards have been granted pursuant to the 2022 Share Award Plan to three executive Directors and three individuals who are directors of subsidiaries of the Company. For further details, please refer to the subsection headed "2021 Share Award Plan" and "2022 Share Award Plan" below.

Save as otherwise disclosed in this report, there was no other equity-linked agreement entered into by the Company during the year ended 31 December 2025.

Pre-IPO Share Option Scheme

The Board adopted the Pre-Initial Public Offering Share Option Scheme ("**Pre-IPO Share Option Scheme**") on 23 September 2020. As at 31 December 2025, the Company has granted share options to subscribe for an aggregate of 61,651,000 Shares (representing approximately 1.05% of the total issued Shares (excluding treasury shares) as at the date of this report). All the share options have been granted before the Listing Date.



REPORT OF THE DIRECTORS

(i) Purpose

The purpose of the Pre-IPO Share Option Scheme is to encourage certain key employees to contribute to the Group for the long-term benefits of the Company and the Shareholders as a whole and provide the Group with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to its key employees.

(ii) Who may join

The Board (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may determine any directors, employees of any member of the Group or any adviser or consultant who provides services to any member of the Group pursuant to a contract of services with the relevant member of the Group (“**Business Associates**”), who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares.

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of these classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of option under the Pre-IPO Share Option Scheme.

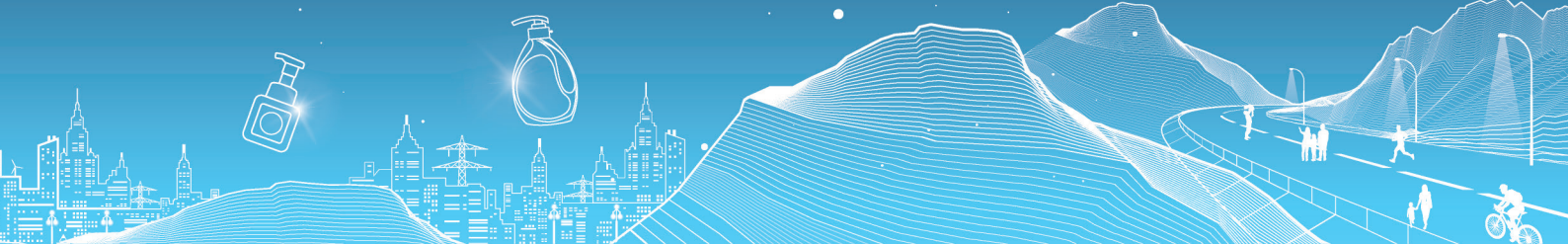
The eligibility of any of these classes of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to the participant’s contribution to the development and growth of the Group.

(iii) Maximum number of Shares

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted under the Pre-IPO Share Option Scheme shall not exceed the lower of (i) 100,000,000 Shares, and (ii) 1.5% of the issued Shares as at the Listing Date. The maximum entitlement of each participants under the Pre-IPO Share Option Scheme is not applicable.

(iv) Time of acceptance, vesting and exercise of option

An option may be accepted by a participant within such time as determined by the Board, provided that no option shall remain open for acceptance on or after the Listing Date or after the relevant participant has ceased to be a participant (as determined by the Board) for any reason.



REPORT OF THE DIRECTORS

Subject to the other terms and conditions of the Pre-IPO Share Option Scheme or the letter to the grantee, a grantee is vested with, and entitled to exercise up to, either one-fourth of his or her option (rounded up to the nearest board lot) or 10%, 20%, 30% and 40% of his or her option (rounded up to the nearest whole board lot) during the Option Period (as defined in the Prospectus), in each case as specified in the letter to the relevant grantee, commencing from each of the first, second, third and fourth anniversaries of the Listing Date, respectively, provided that the grantee remains to be a participant entitled to exercise his or her option.

(v) Exercise price for Shares

The exercise price in relation to each option granted under the Pre-IPO Share Option Scheme shall be HK\$3.76, excluding brokerage, the Securities and Futures Commission (the “SFC”) transaction levy and the Stock Exchange trading fee. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of an option, save to the extent that other arrangements have been made for the payment of the exercise price which are satisfactory to the Board.

(vi) Duration of the Pre-IPO Share Option Scheme

Subject to the terms of the Pre-IPO Share Option Scheme (including, but not limited to, the conditions precedent for the Pre-IPO Share Option Scheme to become effective), the Pre-IPO Share Option Scheme shall be valid and effective for the period of time commencing on the adoption date (being 23 September 2020) and expiring on the day immediately after the date which is 10 years after the Listing Date, after which period the provisions of the Pre-IPO Share Option Scheme shall in all respects cease to be in any force or effect. The remaining life of the Pre-IPO Share Option Scheme is 4.96 years as at 31 December 2025, being the date on which the latest financial year of the Company ended. For the avoidance of doubt, no option shall be granted under the Pre-IPO Share Option Scheme on or after the Listing Date.

(vii) Outstanding options granted

On 23 September 2020 (being the date of grant), pursuant to the Pre-IPO Share Option Scheme, the Company has granted share options to subscribe for an aggregate of 61,651,000 Shares (representing approximately 1.05% of the total issued Shares) to 684 grantees. The grantees comprise three Directors, existing employees and Business Associates of the Group (who are not Directors or connected persons of the Group). All the share options have been granted before the Listing Date. The total number of Shares available for issue under the Pre-IPO Share Option Scheme was 42,417,138 in respect of outstanding share options as at 31 December 2025 representing approximately 0.72% of the total number of Shares as at the date of this report.

REPORT OF THE DIRECTORS

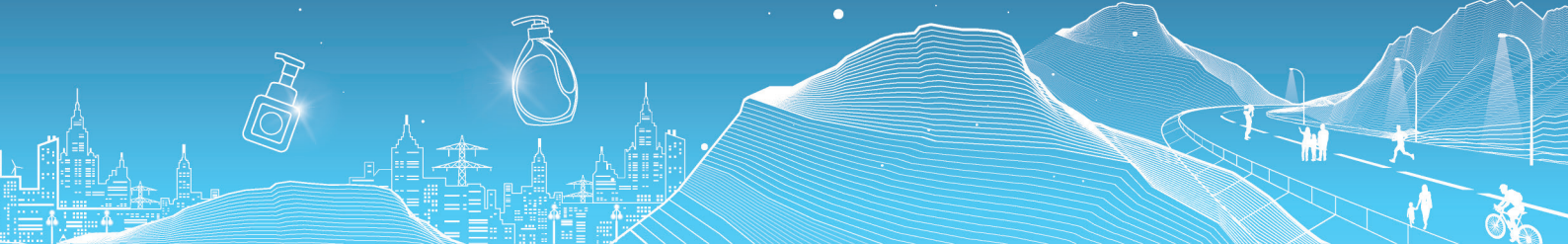
Set out below is the detailed movements during the year in the outstanding options granted under the Pre-IPO Share Option Scheme:

Name of Grantee	Date of grant ⁽¹⁾	Number of options				Outstanding options as at 31 December 2025	Exercise Price per Share	Option Period
		Outstanding options as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled or lapsed during the year			
<i>Directors</i>								
Ms. LUO Dong	23/09/2020	4,800,000	-	-	-	4,800,000	HK\$3.76	10 years from the date of Grant
Mr. POON Kwok Leung	23/09/2020	975,000	-	-	-	975,000	HK\$3.76	10 years from the date of Grant
Ms. XIAO Haishan	23/09/2020	837,500	-	-	-	837,500	HK\$3.76	10 years from the date of Grant
Other Grantees including existing employees and Business Associates of the Group	23/09/2020	38,428,184	-	(987,850)	(1,635,696)	35,804,638	HK\$3.76	10 years from the date of Grant
Total		45,040,684	-	(987,850)	(1,635,696)	42,417,138		

Notes:

- (1) On every vesting date, either one-fourth of his or her option (rounded up to the nearest board lot) or 10%, 20%, 30% and 40% of his or her option (rounded up to the nearest whole board lot) during the Option Period (as defined in the Prospectus), in each case as specified in the letter to the relevant grantees, commencing from each of the first, second, third and fourth anniversaries of the Listing Date, respectively, may be vested in the grantee, subject to the satisfaction of certain performance targets and/or the attainment or performance of milestones by any member of our Group as determined by our Board at its sole and absolute discretion. Notwithstanding the above, our Board may in its sole discretion amend the vesting schedule and vest any percentage of the underlying Shares in respect of the options under the Pre-IPO Share Option Scheme in accordance with the terms thereunder.
- (2) The weighted average closing price of the Company's Share immediately before the date on which the options were exercised was HK\$4.11.

Save as disclosed above, during the year ended 31 December 2025, no share options were granted, exercised, lapsed or cancelled under the Pre-IPO Share Option Scheme. For further details regarding the Pre-IPO Share Option Scheme, please refer to the Prospectus and note 25 to the consolidated financial statements of this report.



REPORT OF THE DIRECTORS

2021 Share Award Plan

On 3 June 2021, the Board approved the adoption of the 2021 share award plan and subsequently, amendments thereto (together referred to as the “**2021 Share Award Plan**”) were approved by the Board, details of which were set out in the announcement of the Company dated 26 March 2024 (the “**Amendment Date**”).

As at 31 December 2025, 276,670,999 share awards have been granted to 610 employees all of which shall be satisfied by existing Shares. Pursuant to the 2021 Share Award Plan, the Shares to be awarded will be satisfied by:

- (a) existing Shares to be acquired by the trustee on or off the market;
- (b) Shares donated or transferred for nil consideration to the trustee;
- (c) such Shares as may be allotted or issued to the trustee as a holder of Shares whether by way of scrip dividend or otherwise;
- (d) such returned Shares which remain unvested and revert to the trustee in accordance with the terms of the 2021 Share Award Plan; and
- (e) such Shares which have been vested but subject to lock-up and which are returned to the Shares Pool in accordance with the grant notices.

- **Purpose**

The purpose of the 2021 Share Award Plan is to recognize and reward the contributions of certain eligible participants to the growth and development of the Group, to give incentives to them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the further development of the Group.

- **Eligible persons**

The following classes of participants (other than any excluded participants) are eligible for participation in the 2021 Share Award Plan:

- (a) any employee (whether full time or part time, but excluding any director) of the Company, any subsidiary of the Group or any entity in which any member of the Group holds any equity interest;



REPORT OF THE DIRECTORS

- (b) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any invested entity; and
- (c) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the 2021 Share Award Plan, the award may be made to any company wholly owned by one or more of the above participants.

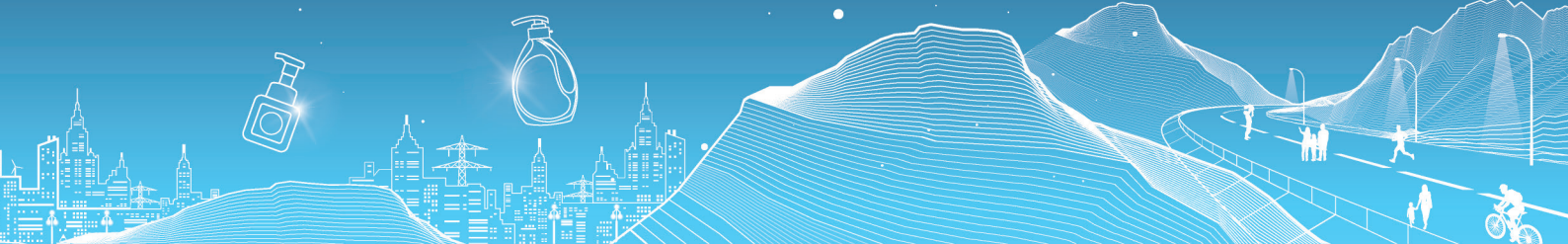
Pursuant to the rules relating to the 2021 Share Award Plan, the Board may, acting through the awards committee, during the continuation of the 2021 Share Award Plan, at its absolute discretion select any eligible participant (other than an excluded participant) to participate in the 2021 Share Award Plan as a selected participant and determine the awards of Shares to be granted, subject to such terms and conditions as it may in its absolute discretion determine (including but not limited to, where applicable, the vesting conditions and schedule of the awarded Shares to the selected participant). The eligibility of any of the eligible participants to an award shall be determined by the Board from time to time on the basis of the Board's opinion, subject to performance targets based on results of comprehensive assessment conducted on the selected participants, their contribution and/or future contribution to the development and growth of the Group.

- **Maximum number of Shares that may be awarded**

The maximum number of Shares to be purchased by and/or transferred to the trustee shall not exceed 9.9% of the total number of issued Shares as at the Amendment Date, being 580,436,347 Shares (including Shares purchased but not yet awarded, and shall not take into account Shares vested and transferred to the grantees) which represent approximately 9.9% of the issued Shares (excluding treasury shares) as at the date of this report. The Board shall not instruct the trustee of the 2021 Share Award Plan to purchase any Shares for the purpose of the 2021 Share Award Plan when such purchase will result in such threshold being exceeded.

- **Maximum entitlement of each participant**

The total number of Shares which may be subject to an award or awards to a selected participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Amendment Date, being 58,629,934 Shares.



REPORT OF THE DIRECTORS

- **Vesting period of awarded Shares and lapse**

Subject to and in accordance with the rules relating to the 2021 Share Award Plan, the trustee of the 2021 Share Award Plan shall transfer to and vest in any participant the legal and beneficial ownership of the awarded Shares to which such participant is entitled under the relevant award as soon as practicable after the latest of (a) the vesting date as specified in the relevant award notice; and (b) where applicable, the date on which the condition(s) and/or performance target(s) to be attained or paid by such selected participant as specified in the relevant award notice have been attained or paid and notified to the trustee of the 2021 Share Award Plan by the Board in writing. The vesting period under the 2021 Share Award Plan in relation to any selected participant is the period commencing on the date on which the awarded Shares have been provisionally set aside pursuant to an Award to such selected participant and ending on the vesting date.

At any time prior to a vesting date, unless the Board otherwise determines, in respect of a selected participant who:

- (a) died or became totally and permanently disabled and incapacitated, all the awarded Shares of that selected participant shall be deemed to be vested in that participant on the day immediately prior to his death or becoming totally and permanently disabled and incapacitated; or
- (b) (in the case of a selected participant who is an employee) retired on his normal retirement date, all the awarded Shares of that participant shall be deemed to be vested in that participant on the day immediately prior to his normal retirement date; or
- (c) (in the case of a selected participant who is an employee) retired on an earlier retirement date (with prior written agreement given by the Company or the relevant subsidiary of the Group or the relevant Invested Entity), all the awarded Shares of that participant shall be deemed to be vested in that participant on the day immediately prior to his or her earlier retirement date.

In the event that any selected participant who is an employee ceases to be an employee by virtue of a corporate reorganisation of the Group or the invested entity, then any award made to such selected participant, to the extent not already vested, shall forthwith lapse and be cancelled. An award shall automatically lapse forthwith and all the awarded Shares, to the extent not already vested, shall not vest on the relevant vesting date and shall become returned Shares upon occurrence of certain events specified in the 2021 Share Award Plan.



REPORT OF THE DIRECTORS

- **Remaining life of the 2021 Share Award Plan**

The 2021 Share Award Plan shall be valid and effective for a term of 15 years commencing from 3 June 2021 but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any selected participant. Assuming that there will not be an early termination, the remaining life of the 2021 Share Award Plan is approximately 10.42 years as at 31 December 2025, being the date on which the latest financial year of the Company ended.

- **The amount, if any, payable on application or acceptance of the award**

Other than satisfying the vesting conditions, the selected participants are not required to provide any consideration in order to acquire the Shares awarded to him or her under the 2021 Share Award Plan. Accordingly, the basis of determining the purchase price of the Shares awarded is not applicable.

Details in relation to the 2021 Share Award Plan, the share purchase in respect of the 2021 Share Award Plan by the trustee and its amendments are set out in the announcements of the Company dated 3 June 2021, 27 July 2021 and 26 March 2024, respectively. No share awards have been granted to any connected persons (as defined under the Listing Rules) of the Company and all share awards granted under the 2021 Share Award Plan shall be satisfied by existing Shares. Details of the 2021 Share Award Plan are set out in note 25 to the consolidated financial statements.

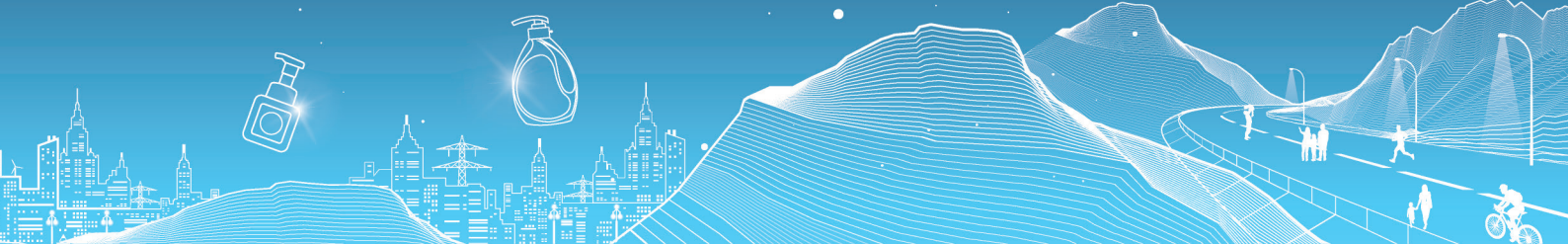
REPORT OF THE DIRECTORS

Set out below is the detailed movements of the awarded Shares during the year involving the existing Shares under the 2021 Share Award Plan:

Date of Grant	Vesting Period ⁽³⁾⁽⁵⁾	Closing price of the awarded Shares immediately before the date of grant (HK\$)	Fair value of the awarded Shares at the date of grant ⁽²⁾ (HK\$)	Number of the awarded Shares				
				Unvested as at 1 January 2025	Granted during the year	Vested during the year	Cancelled or lapsed during the year	Unvested as at 31 December 2025
<i>Directors⁽¹⁾</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<i>5 highest paid individuals during the financial year (in aggregate)</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<i>Employee participants (in aggregate)</i>								
17/09/2021 ⁽¹⁾⁽⁴⁾	17/09/2021- 17/09/2024 ⁽⁴⁾	6.42	6.65	-	-	-(10)	-(6)	-(12)
26/09/2021 ⁽¹⁾⁽⁴⁾	26/09/2021- 17/09/2024 ⁽⁴⁾	6.60	6.60	-	-	-(10)	-(6)	-(12)
12/05/2022 ⁽¹⁾⁽⁴⁾	12/05/2022- 11/04/2025 ⁽⁴⁾	6.01	6.02	10,000	-	(10,000) ⁽¹⁰⁾	-(6)	-(12)
21/01/2023	21/01/2023- 01/03/2026 ⁽⁴⁾	5.25	5.25	580,000	-	(213,500) ⁽¹⁰⁾	(86,500) ⁽⁶⁾	280,000 ⁽¹²⁾
07/04/2023	07/04/2023- 01/04/2027 ⁽⁴⁾	5.01	5.01	-	-	-	-(6)	-(12)
22/05/2023	22/05/2023- 01/03/2026 ⁽⁴⁾	4.43	4.46	80,000	-	(24,960) ⁽¹⁰⁾	(15,040) ⁽⁶⁾	40,000 ⁽¹²⁾
12/06/2023	12/06/2023- 01/07/2025 ⁽⁴⁾	4.47	4.41	-	-	-(10)	-(6)	-(12)
20/09/2023	20/09/2023- 18/10/2027 ⁽⁴⁾	2.67	2.38	174,000	-	(58,000) ⁽¹⁰⁾	-(6)	116,000 ⁽¹²⁾

REPORT OF THE DIRECTORS

Date of Grant	Vesting Period ⁽³⁾⁽⁵⁾	Closing price of the awarded Shares immediately before the date of grant (HK\$)	Fair value of the awarded Shares at the date of grant ⁽²⁾ (HK\$)	Number of the awarded Shares				
				Unvested as at 1 January 2025	Granted during the year	Vested during the year	Cancelled or lapsed during the year	Unvested as at 31 December 2025
08/10/2023	08/10/2023-18/10/2029 ⁽⁴⁾⁽⁵⁾	2.72	2.47	4,620,000 ⁽⁶⁾	–	(1,135,584) ⁽¹⁰⁾	(134,416) ⁽⁶⁾	3,350,000 ⁽¹²⁾
				6,910,600 ⁽⁹⁾		(1,089,934) ⁽¹¹⁾	(152,016) ⁽⁷⁾	5,668,650 ⁽¹³⁾
13/10/2023	13/10/2023-18/04/2027 ⁽⁴⁾	2.94	2.67	70,000	–	(23,100) ⁽¹⁰⁾	– ⁽⁶⁾	46,900 ⁽¹²⁾
27/11/2023	27/11/2023-18/04/2027 ⁽⁴⁾⁽⁵⁾	2.12	2.08	– ⁽⁸⁾	–	– ⁽¹⁰⁾	– ⁽⁶⁾	– ⁽¹²⁾
				340,000 ⁽⁹⁾		(340,000) ⁽¹¹⁾	– ⁽⁷⁾	– ⁽¹³⁾
17/04/2024	17/04/2024-18/04/2027 ⁽⁴⁾⁽⁵⁾	1.99	1.88	100,000 ⁽⁶⁾	– ⁽⁴⁾	(33,000) ⁽¹⁰⁾	– ⁽⁶⁾	67,000 ⁽¹²⁾
				174,000 ⁽⁹⁾		(95,000) ⁽¹¹⁾	(10,000) ⁽⁷⁾	69,000 ⁽¹³⁾
02/09/2024	02/09/2024-18/10/2058 ⁽⁴⁾⁽⁵⁾	1.87	1.90	360,000 ⁽⁶⁾	– ⁽⁴⁾	(118,800) ⁽¹⁰⁾	(67,000) ⁽⁶⁾	174,200 ⁽¹²⁾
				35,710,000 ⁽⁹⁾		(118,800) ⁽¹¹⁾	(5,717,000) ⁽⁷⁾	29,874,200 ⁽¹³⁾
04/09/2024	04/09/2024-18/10/2045 ⁽⁴⁾⁽⁵⁾	1.93	1.92	–	– ⁽⁴⁾	– ⁽¹⁰⁾	– ⁽⁶⁾	– ⁽¹²⁾
				23,500,000 ⁽⁹⁾		– ⁽¹¹⁾	– ⁽⁷⁾	23,500,000 ⁽¹³⁾
01/04/2025	01/04/2025-18/10/2061 ⁽⁴⁾⁽⁵⁾	3.45	3.45	–	3,550,000 ⁽⁴⁾	(3,460,000) ⁽¹⁰⁾	(60,000) ⁽⁶⁾	30,000 ⁽¹²⁾
				–		(30,000) ⁽¹¹⁾	(1,060,000) ⁽⁷⁾	2,460,000 ⁽¹³⁾
29/05/2025	29/05/2025-18/10/2059 ⁽⁴⁾⁽⁵⁾	3.91	3.87	–	127,220,000 ⁽⁴⁾	(126,720,000) ⁽¹⁰⁾	(500,000) ⁽⁶⁾	– ⁽¹²⁾
				–		– ⁽¹¹⁾	(10,110,000) ⁽⁷⁾	117,110,000 ⁽¹³⁾
26/08/2025	26/08/2025-18/10/2060 ⁽⁴⁾⁽⁵⁾	3.67	3.59	–	32,650,000 ⁽⁴⁾	(32,650,000) ⁽¹⁰⁾	– ⁽⁶⁾	– ⁽¹²⁾
				–		– ⁽¹¹⁾	(400,000) ⁽⁷⁾	32,250,000 ⁽¹³⁾
29/08/2025	29/08/2025-18/10/2056 ⁽⁴⁾⁽⁵⁾	3.31	3.33	–	21,900,000 ⁽⁴⁾	(21,250,000) ⁽¹⁰⁾	(300,000) ⁽⁶⁾	350,000 ⁽¹²⁾
				–		– ⁽¹¹⁾	(300,000) ⁽⁷⁾	21,600,000 ⁽¹³⁾
05/09/2025	05/09/2025-18/10/2056 ⁽⁴⁾⁽⁵⁾	3.22	3.26	–	8,150,000 ⁽⁴⁾	(8,150,000) ⁽¹⁰⁾	– ⁽⁶⁾	– ⁽¹²⁾
				–		– ⁽¹¹⁾	(300,000) ⁽⁷⁾	7,850,000 ⁽¹³⁾
23/12/2025	23/12/2025-18/10/2047 ⁽⁴⁾⁽⁵⁾	2.81	2.79	–	1,300,000 ⁽⁴⁾	– ⁽¹⁰⁾	– ⁽⁶⁾	1,300,000 ⁽¹²⁾
				–		– ⁽¹¹⁾	– ⁽⁷⁾	1,300,000 ⁽¹³⁾
Total:				5,994,000 ⁽⁶⁾	194,770,000 ⁽⁴⁾	(193,846,944) ⁽¹⁰⁾	(1,162,956) ⁽⁶⁾	5,754,100 ⁽¹²⁾
				67,548,600 ⁽⁹⁾		(2,003,294) ⁽¹¹⁾	(18,150,556) ⁽⁷⁾	242,164,750 ⁽¹³⁾



REPORT OF THE DIRECTORS

Notes:

(1) As at 1 January 2025, there was no outstanding or unvested Awarded Share in favour of any Director of the Company. During the year ended 31 December 2025, no Awarded Share was granted to any Director of the Company. As at 31 December 2025, there was no outstanding or unvested Awarded Share in favour of any director of the Company.

(2) The fair value of awards granted is measured by the quoted closing market price of the awarded Shares at the respective dates of grant.

For the awarded Shares granted under the 2021 Share Award Plan, the total amount to be recognised as expense is determined by reference to the fair value of the awarded Shares granted (i) including any market performance conditions (for example, an entity's share price); (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time). The total expense is recognised over the vesting period. At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

A description of the basis for fair value measurement is set out in note 25 to the consolidated financial statements.

(3) The Shares awarded to the employee participants on 17 September 2021 are subject to a vesting scale in tranches of 33% of the awarded Shares respectively on the first and second anniversary dates of the grant date or join date and the balance of the remaining awarded Shares on the third anniversary date of the grant date.

The Shares awarded to the employee participants on 26 September 2021 are subject to a vesting scale in tranches of 33% or 25% of the awarded Shares respectively on each anniversary dates of the grant date or join date.

The Shares awarded to the employee participants on 12 May 2022 are subject to a vesting scale in tranches of 33% of the awarded Shares respectively on each anniversary dates of the join date.

The Shares awarded to the employee participants on 21 January 2023 are subject to a vesting scale in approximately 3 to 4 tranches within 4 years.

The Shares awarded to the employee participants on 7 April 2023 are subject to a vesting scale in approximately 1 to 4 tranches within 4 years.

The Shares awarded to the employee participants on 22 May 2023 are subject to a vesting scale in approximately 4 tranches within 3 years.

The Shares awarded to the employee participants on 12 June 2023 are subject to a vesting scale in approximately 3 tranches within 3 years.

The Shares awarded to the employee participants on 20 September 2023 are subject to a vesting scale in approximately 1 to 5 tranches within 5 years.

The Shares awarded to the employee participants on 8 October 2023 are subject to a vesting scale in approximately 1 to 17 tranches within 5 years.

The Shares awarded to the employee participants on 13 October 2023 are subject to a vesting scale in approximately 1 to 3 tranches within 4 years.

The Shares awarded to the employee participants on 27 November 2023 are subject to a vesting scale in approximately 1 to 3 tranches within 4 years.

The Shares awarded to the employee participants on 17 April 2024 are subject to a vesting scale in approximately 1 to 3 tranches within 4 years.

The Shares awarded to the employee participants on 2 September 2024 are subject to a vesting scale in approximately 1 to 3 tranches within 3 years.



REPORT OF THE DIRECTORS

The Shares awarded to the employee participants on 4 September 2024 are subject to a vesting scale in 1 tranche within 1 year.

The Shares awarded to the employee participants on 1 April 2025 are subject to a vesting scale in approximately 1 to 5 tranches within 1 year.

The Shares awarded to the employee participants on 29 May 2025 are subject to a vesting scale in approximately 1 tranche within 1 year.

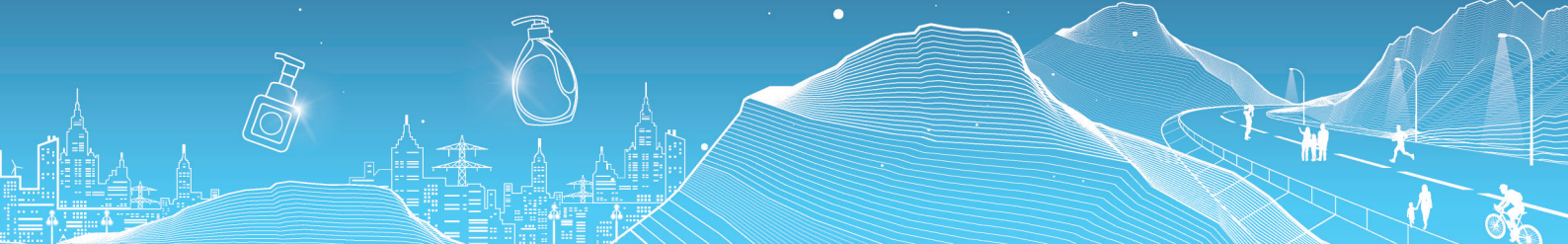
The Shares awarded to the employee participants on 26 August 2025 are subject to a vesting scale in approximately 1 tranche within 1 year.

The Shares awarded to the employee participants on 29 August 2025 are subject to a vesting scale in approximately 1 to 3 tranches within 1 year.

The Shares awarded to the employee participants on 5 September 2025 are subject to a vesting scale in approximately 1 tranche within 1 year.

The Shares awarded to the employee participants on 23 December 2025 are subject to a vesting scale in approximately 1 tranche within 1 year.

- (4) The grants were made subject to performance targets based on results of comprehensive assessments conducted on the respective selected participants. Other than satisfying the vesting conditions, the selected participants are not required to provide any consideration in order to acquire the Shares granted to him or her under the 2021 Share Award Plan.
- (5) Certain awarded Shares granted on 8 October 2023, 27 November 2023, 17 April 2024, 2 September 2024, 4 September 2024, 1 April 2025, 29 May 2025, 26 August 2025, 29 August 2025, 5 September 2025 and 23 December 2025 were subject to lock-up arrangement (the "**Locked-up Shares**"). Under the lock-up arrangement, participants were restricted from selling, transferring, pledging and/or otherwise creating security and/or other third-party rights or encumbrance over the Shares (the "**Lock-up Arrangement**") during the lock-up period, which ranges from 0.1 years to 35.8 years. The Locked-up Shares are subject to clawback, and shall return to the Shares pool in circumstances such as termination of employment of the selected participant during the lock-up period.
- (6) This represents awarded Shares lapsed or cancelled before they were vested.
- (7) This represents (i) awarded Shares lapsed or cancelled before they were vested; and/or (ii) Locked-up Shares lapsed or cancelled before they were unlocked.
- (8) This represents all awarded Shares which have not been vested as at 1 January 2025.
- (9) This represents (i) awarded Shares which were subject to the Lock-up Arrangement and have not been vested; (ii) Locked-up Shares which have been vested but yet to be unlocked; and (iii) awarded Shares which were not subject to any Lock-up Arrangement and have not been vested as at 1 January 2025.
- (10) This represents all awarded Shares vested during the year regardless of whether they are subject to the Lock-up Arrangement. Weighted average closing price of such awarded Shares immediately before the date such awarded Shares was vested in 2025 was HK\$3.92 per share.
- (11) This represents (i) awarded Shares vested during the year which were not subject to the Lock-up Arrangement; and/or (ii) Locked-up Shares vested which have been unlocked during the year ended 31 December 2025. For details, please refer to note 25 to the consolidated financial statements. Weighted average closing price of such awarded Shares immediately before the date such awarded Shares were vested in 2025 was HK\$3.40 per share.
- (12) This represents all awarded Shares which have not been vested regardless of whether they are subject to the Lock-up Arrangement as at 31 December 2025.
- (13) This represents (i) awarded Shares which were subject to the Lock-up Arrangement and have not been vested; (ii) Locked-up Shares which have been vested but yet to be unlocked; and (iii) awarded Shares which were not subject to any Lock-up Arrangement and have not been vested as at 31 December 2025.
- (14) The grants were made prior to the amendment to Chapter 17 of the Listing Rules taking effect.



REPORT OF THE DIRECTORS

2022 Share Award Plan

On 29 March 2022, the Board approved the adoption of the 2022 share award plan and subsequently, amendments thereto (together referred to as the “**2022 Share Award Plan**”) were approved by the Board and details of which are set out in the announcement of the Company dated 26 March 2024.

As at 1 January 2025 and 31 December 2025, 119,600,000 share awards have been granted pursuant to the 2022 Share Award Plan to 3 Executive Directors (“**ED(s)**”) and 3 individuals who are directors of subsidiaries of the Company. Pursuant to the 2022 Share Award Plan, the Shares to be awarded will be satisfied by:

- (a) existing Shares to be acquired by the trustee on or off the market;
- (b) Shares donated or transferred for nil consideration to the trustee;
- (c) such Shares as may be allotted or issued to the trustee as a holder of Shares whether by way of scrip dividend or in other corporate actions of the Company and such returned Shares; and
- (d) such Shares which have been vested but subject to lock-up and which are returned to the Share Pool in accordance with the grant notices.

(i) **Purpose**

The purpose of the 2022 Share Award Plan is to recognise and reward the contribution of certain eligible participants who are the EDs or directors of the subsidiaries of the Group to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

(ii) **Eligible persons**

The following classes of participants are eligible for participation in the 2022 Share Award Plan:

- (a) EDs; and
- (b) directors of any subsidiaries of the Group,

and, for the purposes of the 2022 Share Award Plan, the award may be made to any company wholly-owned by eligible participant or any trust which an eligible participant is the settlor.



REPORT OF THE DIRECTORS

The eligibility of any of the eligible participants under the 2022 Share Award Plan to an award shall be determined by the Board from time to time on the basis of the Board's opinion, subject to performance targets based on results of comprehensive assessment conducted on the selected participants, their contribution and/or anticipated future contribution to the development and growth of the Group and the grant of an award to eligible participants who are EDs shall be approved by members of the Remuneration Committee (other than by himself or herself).

(iii) Maximum number of Shares that may be awarded

The maximum number of Shares which may be awarded under the 2022 Share Award Plan shall not exceed 3.0% of the total number of issued Shares as at the Amendment Date, being 175,889,802 Shares (excluding Shares awarded but lapsed and not vested), which represent approximately 3.0% of the issued Shares (excluding treasury shares) at the date of this report. The Board shall not instruct the trustee to purchase any Shares for the purpose of the 2022 Share Award Plan when doing so will result in such threshold being exceeded.

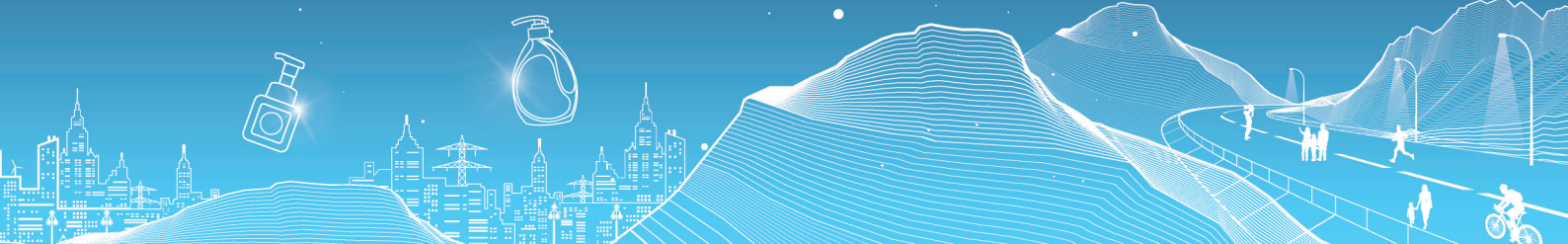
(iv) Maximum entitlement of each participant

The total number of Shares which may be subject to the award to a selected participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Amendment Date, being 58,629,934 Shares.

(v) Vesting period of awarded Shares and lapse

Subject to and in accordance with the rules relating to the 2022 Share Award Plan, the trustee of the 2022 Share Award Plan shall transfer to and vest in any participant the legal and beneficial ownership of the awarded Shares to which such participant is entitled under the relevant award as soon as practicable after the latest of (a) the vesting date as specified in the relevant award notice; and (b) where applicable, the date on which the condition(s) and/or performance target(s) to be attained or paid by such selected participant as specified in the relevant award notice have been attained or paid and notified to the trustee of the 2022 Share Award Plan by the Board in writing. The vesting period under the 2022 Share Award Plan in relation to any selected participant is the period commencing on the date on which the awarded Shares have been provisionally set aside pursuant to an award to such selected participant and ending on the vesting date.

At any time prior to a vesting date, unless the Board otherwise determines, in respect of a selected participant who:



REPORT OF THE DIRECTORS

- (a) died or became totally and permanently disabled and incapacitated, all the awarded Shares of that participant shall be deemed to be vested in that participant on the day immediately prior to his death or becoming totally and permanently disabled and incapacitated; or
- (b) retired on his normal retirement date, all the awarded Shares of that participant shall be deemed to be vested in that participant on the day immediately prior to his normal retirement date; or
- (c) retired on an earlier retirement date (with prior written agreement given by the Company or the relevant subsidiary of the Group), all the awarded Shares of that participant shall be deemed to be vested in that participant on the day immediately prior to his earlier retirement date. In the event that any selected participant ceases to be an ED or a director of a subsidiary by virtue of a corporate reorganization of the Group, then any award made to such selected participant, to the extent not already vested, shall forthwith lapse and be cancelled. Where such selected participant remains employed as an employee, any awards to the extent unvested shall be dealt with in accordance with the relevant grant notice to such selected participant. In the event that he or she ceases to be an employee, any awards to the extent unvested, shall forthwith lapse and be cancelled. An award shall automatically lapse forthwith and all the awarded Shares, to the extent not already vested, shall not vest on the relevant vesting date and shall become returned Shares upon occurrence of certain events specified in the 2022 Share Award Plan.

(vi) Remaining life of the 2022 Share Award Plan

The 2022 Share Award Plan shall be valid and effective for a term of 15 years commencing from 29 March 2022 but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any selected participant. Assuming that there will not be an early termination, the remaining life of the 2022 Share Award Plan is approximately 11.25 years as at 31 December 2025, being the date on which the latest financial year of the Company ended.

(vii) The amount, if any, payable on application or acceptance of the award

Other than satisfying the vesting conditions, the selected participants are not required to provide any consideration in order to acquire the Shares awarded to him or her under the 2022 Share Award Plan. Accordingly, the basis of determining the purchase price of Shares awarded is not applicable.

Further details in relation to the 2022 Share Award Plan and its amendments are set out in the announcements of the Company dated 30 March 2022 and 26 March 2024, respectively and in note 25 to the consolidated financial statements.

REPORT OF THE DIRECTORS

Set out below is the detailed movements of the awarded Shares during the year under the 2022 Share Award Plan:

Name/Type of participants	Date of Grant	Vesting Period ⁽³⁾⁽⁴⁾	Closing price of the awarded Shares immediately before the date of grant (HK\$)	Fair value of the awarded Shares at the date of grant ⁽¹⁾ (HK\$)	Number of the awarded Shares				
					Unvested as at 1 January 2025	Granted during the year	Vested during the year	Cancelled or lapsed during the year ⁽⁵⁾	Unvested as at 31 December 2025
<i>Directors</i>									
Ms. LUO Dong	20/05/2024	20/05/2024-18/04/2033 ⁽²⁾⁽⁴⁾	2.24	1.94	58,600,000	-	(27,500,000) ⁽⁶⁾	-	31,100,000 ⁽⁸⁾
					58,600,000		(1,000,000) ⁽⁷⁾	-	57,600,000 ⁽⁹⁾
Mr. POON Kwok Leung	20/05/2024	20/05/2024-11/04/2039 ⁽²⁾⁽⁴⁾	2.24	2.13	2,400,000	-	(800,000) ⁽⁶⁾	-	1,600,000 ⁽⁸⁾
					7,000,000		(400,000) ⁽⁷⁾	-	6,600,000 ⁽⁹⁾
Ms. XIAO Haishan	20/05/2024	20/05/2024-25/04/2031 ⁽²⁾⁽⁴⁾	2.24	2.15	1,800,000	-	(600,000) ⁽⁶⁾	-	1,200,000 ⁽⁸⁾
					6,000,000		(300,000) ⁽⁷⁾	-	5,700,000 ⁽⁹⁾
5 highest paid individuals during the financial year (in aggregate)	20/05/2024	20/05/2024-03/01/2042 ⁽²⁾⁽⁴⁾	2.24	2.15	9,000,000	-	(3,000,000) ⁽⁶⁾	-	6,000,000 ⁽⁸⁾
					30,000,000		(1,500,000) ⁽⁷⁾	-	28,500,000 ⁽⁹⁾
Other grantees (in aggregate)	20/05/2024	20/05/2024-14/12/2044 ⁽²⁾⁽⁴⁾	2.24	2.14	6,000,000	-	(2,000,000) ⁽⁶⁾	-	4,000,000 ⁽⁸⁾
					18,000,000		(600,000) ⁽⁷⁾	-	17,400,000 ⁽⁹⁾
Total:					77,800,000	-	(33,900,000) ⁽⁶⁾	-	43,900,000 ⁽⁸⁾
					119,600,000		(3,800,000) ⁽⁷⁾	-	115,800,000 ⁽⁹⁾



REPORT OF THE DIRECTORS

Notes:

- (1) The fair value of awards granted is measured by the quoted closing market price of the awarded Shares at the respective dates of grant.

For the awarded Shares granted under the 2022 Share Award Plan, the total amount to be recognised as expense is determined by reference to the fair value of the awarded Shares granted (i) including any market performance conditions (for example, an entity's share price); (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time). The total expense is recognised over the vesting period. At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

A description of the basis for fair value measurement is set out in note 25 to the consolidated financial statements.

- (2) The grants were made subject to performance targets based on results of comprehensive assessments conducted on the respective selected participants. Other than satisfying the vesting conditions, the selected participants are not required to provide any consideration in order to acquire the Shares granted to him or her under the 2022 Share Award Plan.

- (3) The Shares awarded to Ms. LUO Dong on 20 May 2024 are subject to a vesting scale in 10 tranches within 9 years.

The Shares awarded to Mr. POON Kwok Leung on 20 May 2024 are subject to a vesting scale in 4 tranches within 3 years.

The Shares awarded to Ms. XIAO Haishan on 20 May 2024 are subject to a vesting scale in 4 tranches within 3 years.

The Shares awarded to the 5 highest paid individuals during the financial year on 20 May 2024 are subject to a vesting scale in 4 tranches within 3 years.

The Shares awarded to the other grantees on 20 May 2024 are subject to a vesting scale in 4 tranches within 3 years.

- (4) Certain awarded Shares granted on 20 May 2024 were subject to lock-up arrangement (the "**Locked-up Shares**"). Under the lock-up arrangement, participants were restricted from selling, transferring, pledging and/or otherwise creating security and/or other third-party rights or encumbrance over the Shares (the "**Lock-up Arrangement**") during the lock-up period, which ranges from 0.3 years to 19.0 years. The Locked-up Shares are subject to clawback, and shall return to the Shares pool in circumstances such as termination of employment of the selected participant during the lock-up period.

- (5) No awarded Shares were lapsed or cancelled during the year ended 31 December 2025.

- (6) This represents all awarded Shares vested during the year regardless of whether they are subject to the Lock-up Arrangement. Weighted average closing price of such awarded Shares immediately before the date such awarded Shares were vested in 2025 was HK\$3.57 per share.

- (7) This represents (i) awarded Shares vested during the year which were not subject to the Lock-up Arrangement; and/or (ii) Locked-up Shares vested which have been unlocked during the year ended 31 December 2025. Weighted average closing price of such awarded Shares immediately before the date such awarded Shares were vested in 2025 was HK\$2.95 per share. For details, please refer to note 25 to the consolidated financial statements.

- (8) This represents all awarded Shares which have not been vested regardless of whether they are subject to the Lock-up Arrangement as at 31 December 2025.

- (9) This represents (i) awarded Shares which were subject to the Lock-up Arrangement and have not been vested; (ii) Locked-up Shares which have been vested but not yet been unlocked; and (iii) awarded Shares which were not subject to any Lock-up Arrangement and have not been vested as at 31 December 2025.



REPORT OF THE DIRECTORS

Save as disclosed above, there are no other information required to be disclosed under Rule 17.12 of the Listing Rules in relation to the 2021 Share Award Plan and the 2022 Share Award Plan.

Related Party Transactions

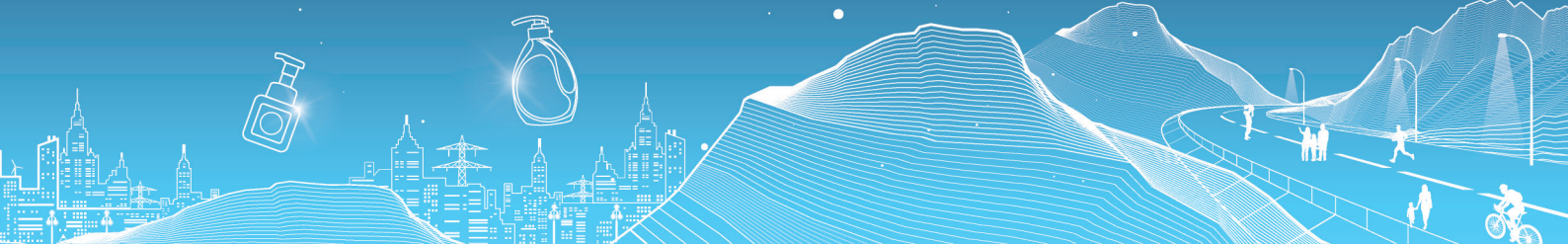
Details of related party transactions were set out in note 32 to the consolidated financial statements. Save for the transaction under a master purchase framework agreement with Guangzhou Daoming Chemical Co., Ltd. (廣州市道明化學有限公司), which constituted a fully-exempt continuing connected transaction of the Company under the Listing Rules, none of the related party transactions falls under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules.

Retirement and Pension Scheme

Particulars of retirement and pension schemes of the Group are set out in note 8 to the consolidated financial statements.

Purchase, Sale and Redemption of the Company’s Listed Securities

During the year ended 31 December 2025 and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities. As at 31 December 2025, the Group did not hold any treasury shares.



REPORT OF THE DIRECTORS

Permitted Indemnity Provision

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him/her as a Director by or by reason of any act done, concurred in or omitted in or about the execution of his or her duty, or supposed duty, in his or her respective offices or trusts.

Management Contract

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Use of Unutilised Net Proceeds from the Company's Global Offering

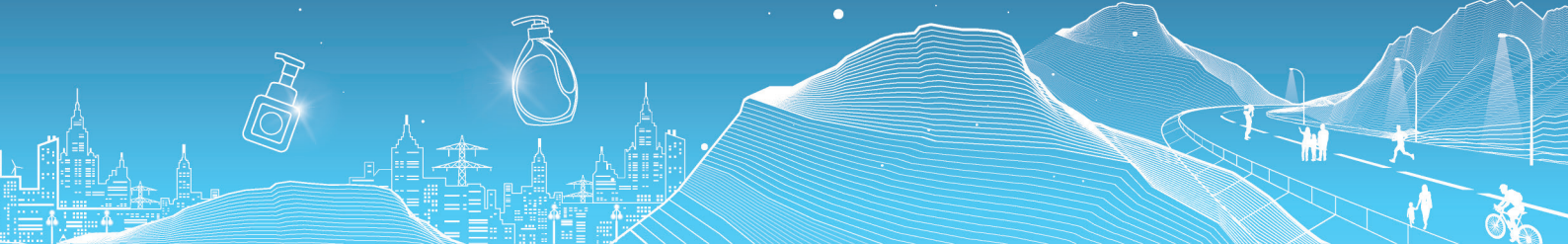
The net proceeds (the “**Net Proceeds**”) from the initial public offering of the Shares in December 2020 (together with the issuance of Shares pursuant to the full exercise of the Over-allotment Option (as defined in the Prospectus) in January 2021), after deducting the underwriting commission and other estimated expenses, of HK\$11,004 million have been partially utilised and the Board has subsequently resolved to change the use of unutilised net proceeds on 25 March 2025. As at 31 December 2025, the total unutilised Net Proceeds amounted to approximately HK\$577 million (the “**Unutilised Net Proceeds**”). The breakdown on the actual utilization of Net Proceeds up to 31 December 2025 which accords with the manner as disclosed in the annual results announcement of the Company dated 25 March 2025, and the breakdown of the Unutilised Net Proceeds as at 31 December 2025 and the expected timeline they may be utilised are set out below:

REPORT OF THE DIRECTORS

Intended use	Revised allocation of the Unutilised Net Proceeds as at 31 December 2024 ⁽¹⁾⁽²⁾ <i>Approximately HK\$ million</i>	For the year ended 31 December 2025 Utilised amount <i>Approximately HK\$ million</i>	As at 31 December 2025 Unutilised amount <i>Approximately HK\$ million</i>	Expected timeline for full utilization of the Unutilised Net Proceeds
Financing business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of the Group's laundry services	672	95	577	By 31 December 2028
Raising brand awareness, further strengthening the Group's sales and distribution network and increasing product penetration	2,643	2,643	–	By 31 December 2028
Working capital and for other general corporate purposes	–	–	–	N/A
Enhancing research and development capabilities	45	45 ⁽³⁾	–	By 31 December 2025
Total	3,360	2,783	577	

Note:

- On 25 March 2025, the Board has resolved to change the use of the Unutilised Net Proceeds to optimise the deployment of financial resources to align with the Group's overall and long-term business strategies.
- The net proceeds amount of approximately HK\$11,004 million include approximately HK\$2,500 million net proceeds utilised in the financial year ended 31 December 2021, approximately HK\$1,300 million net proceeds utilised in the financial year ended 31 December 2022, approximately HK\$2,074 million net proceeds utilised in the financial year ended 31 December 2023, approximately HK\$1,770 million net proceeds utilised in the financial year ended 31 December 2024 and approximately HK\$3,360 million net proceeds brought forward from the financial year ended 31 December 2024 which were utilised in the manner set out in the table above. The net proceeds utilised in the financial year ended 31 December 2025 was approximately HK\$2,783 million, of which HK\$577 million remained unutilised in the financial year ended 31 December 2025 and were brought forward.
- The amount represents a portion of the research and development expenses in the financial year ended 31 December 2025. The Group also used internal funds for its research and development expenses in the financial year ended 31 December 2025.



REPORT OF THE DIRECTORS

Environment, Social and Governance

The Group has established key environmental, social and governance (“**ESG**”) goals covering greenhouse gases, emissions, pollutant emissions, energy use and water use efficiency in accordance with the requirements of the Environmental, Social and Governance Reporting Code issued by the Stock Exchange. Further details of the Group’s commitment and principles of action to the management of environment, social and governance and the performance in environmental contributions, employee relations, supply chain management, occupational health and safety and social investments of the core business of the Group for the year ended 31 December 2025 are set out in the Group’s 2025 Environmental, Social and Governance Report (the “**2025 ESG Report**”), which will be published on the websites of the Company at <http://www.bluemoon.com.cn> under the section headed “Investor Relations — Company Announcement” and the Stock Exchange on even date of this report.

Events after the year ended 31 December 2025 and the Public Float

Following the changes to Rule 8.24 of the Listing Rules and the note thereunder which became effective on 4 August 2025, shares of the Company in public hands as a percentage of its total issued shares fell below 24.06%, which was the minimum public float applicable to the Company pursuant to a waiver from strict compliance with the minimum public float requirement under Rule 8.08(1)(d) of the Listing Rules granted by the Stock Exchange. As certain shares held by the trustee of a share scheme adopted in June 2021 by the Company (for eligible participants of primarily employees and excluding directors of the Company and its subsidiaries) have yet to be granted, these shares held by such trustee are not regarded as shares held by the public after the above-mentioned rule change from 4 August 2025.

Pursuant to Rule 13.32B of the Listing Rules and the announcement of the Company dated 8 January 2026, with effect from 1 January 2026, the Company has adopted the alternative threshold for the minimum prescribed public float, i.e. the class of shares of the Company listed on the Stock Exchange and held by the public must, at all times (a) have a market value of at least HK\$1,000,000,000; and (b) represent at least 10% of the Company’s total number of issued shares in that class of shares (excluding treasury shares) (the “**Alternative Threshold**”).

Save as disclosed above, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float threshold applicable to the Company under the Listing Rules for the year ended 31 December 2025 and has continued to maintain such applicable threshold as at the date of this report.



REPORT OF THE DIRECTORS

Auditor

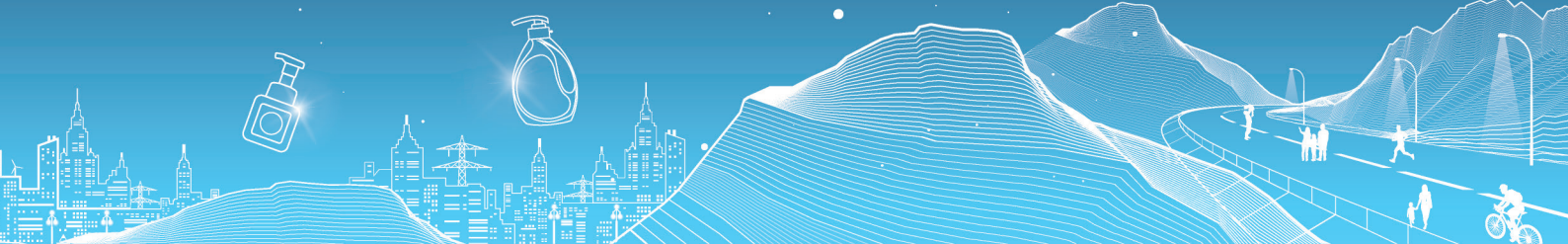
The consolidated financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, which will retire at the conclusion of the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

PAN Dong

Chairman

Hong Kong, 26 March 2026



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Ms. PAN Dong (潘東), aged 60, was appointed as a Director and the Chairman of the Company on 27 December 2007. She was re-designated as an ED on 22 June 2020. She is primarily responsible for the technological development of the Group. Ms. PAN joined the Group on 1 August 1997 as the Chief Technology Officer and is currently the chairman of the Nomination Committee and also a member of the Remuneration Committee of the Company.

Ms. PAN holds a master's degree in organic chemistry and a master of business administration degree.

Ms. PAN is the wife of Mr. LUO Qiuping, the ED and Chief Executive Officer of the Company.

Mr. LUO Qiuping (羅秋平), aged 62, was appointed as a Director and the Chief Executive Officer of the Company on 12 February 2008. He was re-designated as an ED on 22 June 2020, primarily responsible for the strategic planning and overall management of the Group. Mr. LUO joined the Group in November 1994 and has been acting as the Chief Executive Officer of the Group since December 1994.

Mr. LUO holds a master's degree in organic chemistry. He was certified as a chemical engineer by Guangzhou Municipal Science & Technology Commission (廣州市科學技術委員會) of the PRC.

Mr. LUO is the husband of Ms. PAN Dong, the Chairman and ED of the Company.

Ms. LUO Dong (羅東), aged 52, was appointed as a Director of the Company on 12 February 2008. She was re-designated as an ED on 22 June 2020, primarily responsible for the supply chain management of the Group. Ms. LUO joined the Group after graduation. She has been working as the Chief Supply Officer of the Group since December 2005.

Ms. LUO has 29 years of experience in the operation, purchase and manufacture management of the "Blue Moon (藍月亮)" brand products. She also held various positions successively, including the head of the laboratory, the head of the department of quality inspection, assistant manager of the technical quality department and the manager of the finished product department, and was primarily responsible for the manufacture management of household care products.

Ms. LUO graduated from Beijing Institute of Fashion Technology with a bachelor's degree in applied chemistry.



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. POON Kwok Leung (潘國樑), aged 46, was appointed as a Director of the Company and re-designated as an ED on 22 June 2020. Mr. POON joined the Group in May 2008 as the financial controller. Mr. POON was later appointed as the Chief Financial Officer of the Group on 1 March 2016, primarily responsible for the management of financial accounts and financing matters of the Group.

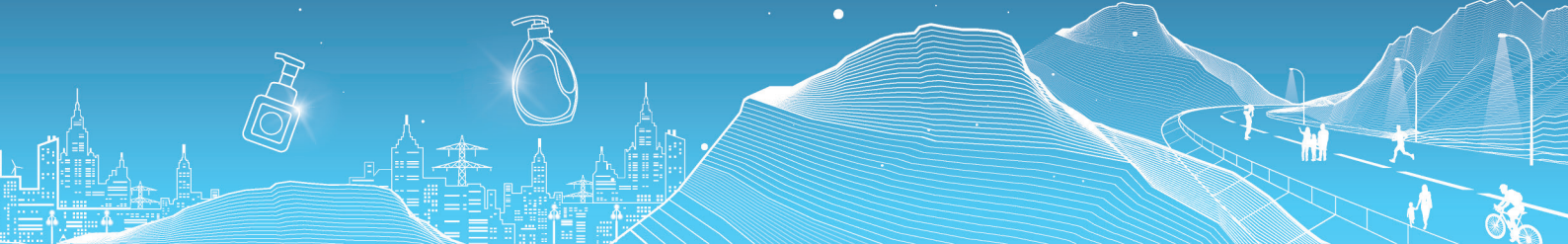
Mr. POON has extensive experience in auditing, accounting and financial management. Prior to joining the Group, he held various positions in PricewaterhouseCoopers, KPMG and the wholesale banking group (China corporates) division of CITIC Ka Wah Bank Limited.

Mr. POON graduated from the University of Hong Kong with a bachelor's degree of business administration in accounting and finance, received a bachelor of Chinese law degree from the School of Law of Tsinghua University subsequently, and is a fellow member of The Hong Kong Institute of Certified Public Accountants and a member of The Hong Kong Institute of Directors.

Ms. XIAO Haishan (肖海珊), aged 49, was appointed as a Director of the Company and re-designated as an ED on 22 June 2020 and as the Chief Operation Officer of the Group on 1 July 2017, primarily responsible for the operation and human resource management of the Group. Ms. XIAO joined the Group in February 2011. She held various positions in the Group successively, including the assistant of the Group's Chief Executive Officer, the operation director and the head of human resource centre of the Group, and is also a member of the Remuneration Committee of the Company.

Ms. XIAO held various positions successively in the marketing department of the Group, including planning associate, branding manager and manager of the marketing department.

Ms. XIAO graduated from Wuhan University with a bachelor's degree in economics and received a master of business administration degree from Zhejiang University subsequently.



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Bruno Robert MERCIER, aged 66, was appointed as an INED on 22 June 2020 with effect upon the date of the Prospectus. Mr. MERCIER is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

Mr. MERCIER is currently an independent non-executive director and a member of each of the audit committee and the nomination committee of Green Tea Group Limited, a company listed on the Main Board of the Stock Exchange (6831.HK). He is also a board director of Gramona SA, a family-owned Spanish premium winery, and a member of the Supervisory Board of City Holdings Co., Ltd, a private company incorporated in Yangon, Myanmar, engaged in retail, food service and distribution in Myanmar since 7 February 2022.

Mr. MERCIER is also advisor to corporations as well as to a number of private equity/venture capital funds, and an investor in tech start-ups focused on retail and consumer goods.

From 2011 to July 2017, Mr. MERCIER was chief executive officer and executive director of Sun Art Retail Group, one of China's largest and most profitable food retailers, listed on the Main Board of the Stock Exchange (6808.HK). Concurrently, he was the chairman of the board of RT Mart International in Taiwan. From 1999 to 2011, Mr. MERCIER worked in the Auchan Group in different roles as development director, store manager and chief executive officer of Auchan China, one of the subsidiaries of Sun Art Retail Group.

Mr. MERCIER holds a master of business administration degree and a certificate in corporate governance from INSEAD, and an engineering degree from the École Nationale Supérieure Agronomique de Toulouse in France.

Mr. MERCIER also has many years of experience working in the consumer goods and consulting industries from 1983 to 1998, notably with Groupe Pernod Ricard, a global wines and spirits producer, in their China and Thailand operations as well as with McKinsey & Company in France and Asia. Mr. MERCIER has spent more than 30 years in Asia, mainly in China, speaks fluent Chinese, is an honorary citizen of the city of Suzhou and was awarded the Golden Magnolia medal by Shanghai City government in 2011.



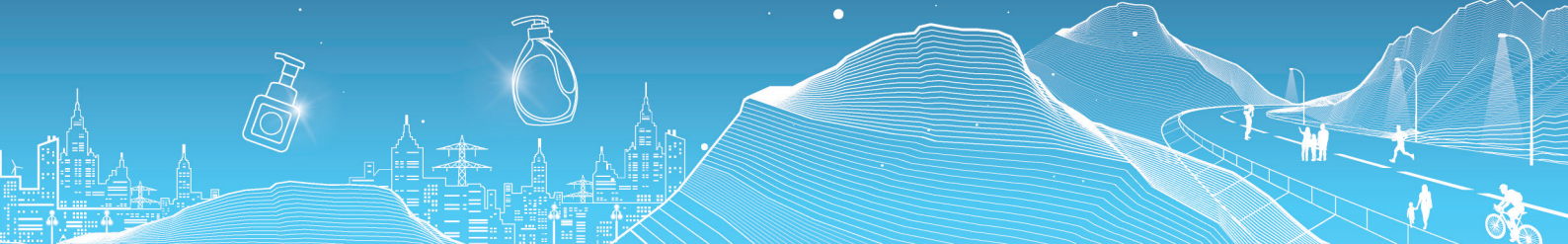
BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Ms. NGAN Edith Manling (顏文玲), aged 61, was appointed as an INED on 22 June 2020 with effect upon the date of the Prospectus. Ms. NGAN is the chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Ms. NGAN is currently an independent non-executive director and a member of the audit and compensation committees of Tencent Music Entertainment Group (“**TME**”), a company listed on the New York Stock Exchange and also the Main Board of the Stock Exchange. She is also an independent non-executive director, the chairman of the audit committee and a member of the nomination, remuneration, risk and compliance committees of Asia Financial Holdings Limited (“**AFHL**”), as well as an independent non-executive director and a member of the audit committee of Swire Pacific Limited (“**SPL**”). She resigned as an independent non-executive director, the chairman of the environmental, social and governance committee and a member of the audit, nomination and remuneration committees of HKBN Ltd. (“**HKBN**”) in September 2023. All of AFHL, SPL and HKBN are listed on the Main Board of the Stock Exchange.

Ms. NGAN has extensive experience in public and private financial and corporate management, governance and business development, with senior management positions in financial institutions including Invesco, Principal and ABN AMRO, and non-profit organizations. She is also an active member of the community and serves on various investment committees of government funds. Ms. NGAN was awarded the Medal of Honour by the Hong Kong SAR Government in July 2014.

Ms. NGAN received her Bachelor of Science degree in industrial engineering and engineering management from Stanford University and is a fellow member of each of The Institute of Chartered Accountants in England and Wales, The Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Directors.



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. HU Yebi (胡野碧) (with former name as HU Guiping (胡貴平)), aged 62, was appointed as an INED on 22 June 2020 with effect upon the date of the Prospectus. Mr. HU is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company.

Mr. HU has over 30 years of experience in the fields of securities, financial services as well as mergers and acquisitions.

From March 1994 to March 2002, Mr. HU worked at DBS Asia Capital Limited, where his last position was managing director of the equity capital markets division. Since April 2004, Mr. HU has been the director of, and since June 2006, has been the chairman of Vision Finance Group Limited (formerly known as Partners Capital Asset Management Limited), a Hong Kong-based comprehensive financial services company focusing on investment holding.

Mr. HU was an executive director of each of Hua Lien International (Holding) Company Limited (00969.HK) from December 2010 to July 2017, Tai United Holdings Ltd. (00718.HK) from July 2014 to October 2016, Beijing Properties Holdings Limited (00925.HK) from December 2015 to November 2018, China Healthwise Holdings Limited (00348.HK) ("**China Healthwise**") from October 2016 to March 2017 and Beijing Enterprise Medical and Health Industry Group Limited (02389.HK) from May 2017 to October 2018, respectively, each a company listed on the Main Board of the Stock Exchange. He has acted as the independent non-executive director of Gemdale Corporation (600383.SH), a company listed on the Shanghai Stock Exchange, from August 2019 to March 2024. He was also the vice chairman of the board of China Healthwise from October 2016 to March 2017.

Mr. HU was the executive director (April 2015 to November 2018) of Beijing Sports and Entertainment Industry Group Limited (01803.HK), a company listed on the Main Board of the Stock Exchange, and has been its non-executive director since November 2018. Since December 2018, he has acted as the independent non-executive director of China Grand Pharmaceutical and Healthcare Holdings Limited (00512.HK), a company listed on the Main Board of the Stock Exchange.

Mr. HU received his postgraduate certificate in management engineering from Beijing Institute of Technology in August 1986. He received his master of business administration degree from Netherlands International Institute of Management (Research — instituut voor Bedrijfswetenschappen) in September 1989.

The above mentioned EDs also serve as members of the senior management of the Group.

For details of the Directors' interests and short positions in Shares, underlying Shares and debentures under Part XV of the Securities and Futures Ordinance, see pages 34 to 36 of this report.



CORPORATE GOVERNANCE REPORT

Culture and its Alignment with the Company's Purpose, Value and Strategies

The Company is committed to promote a culture of trust, respect and excellence, with commitment to promoting and maintaining operational compliance and integrity in the operating environment. Such culture aligns with the Company's vision and strategy to keep abreast of consumer demands for the implementation of reforms and innovative ideas, in order to promote the long-term and healthy development for the Company and to allow every family to enjoy a clean, healthy, comfortable, respectable and delightful "Blue Moon (藍月亮)" lifestyle.

Compliance with the Code on Corporate Governance Practices

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code (the "CG Code"), as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025, and the Company has adopted the CG Code as its own corporate governance code.

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the year ended 31 December 2025.

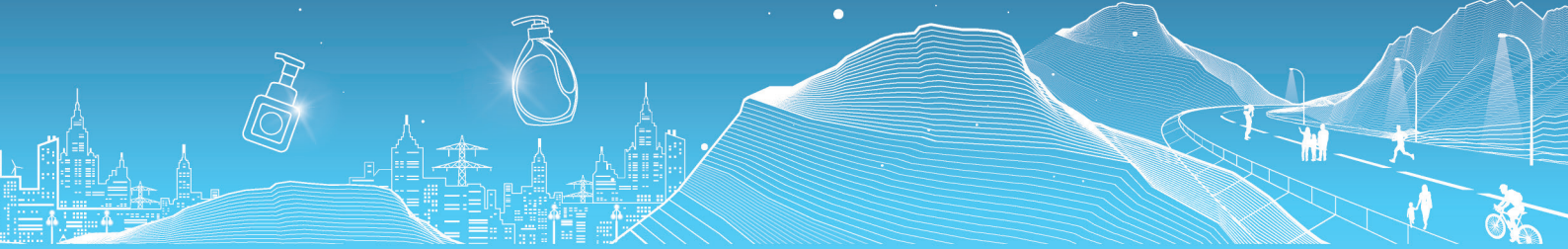
The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct for Directors' securities transactions. Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, reminding the Directors that they (including their respective spouse, minor child and others whose dealings are treated as dealings by them under the Model Code) are not allowed to deal in the securities of the Company prior to and on the day of publication of the announcement of the results (the periods during which the Directors are prohibited from dealing in the Shares), and that all transactions must be conducted according to the Model Code.

After having made specific enquiries, each Director has confirmed that he or she has complied with the requirements of the Model Code during the year ended 31 December 2025.

The Company has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the Company's securities.



CORPORATE GOVERNANCE REPORT

Board of Directors

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its Shareholders.

As at 31 December 2025, the Board comprised five EDs and three INEDs. The Board has met the requirements of Rule 3.10 and Rule 3.10A of the Listing Rules of having at least three INEDs (representing at least one-third of the Board). In addition, Ms. NGAN Edith Manling, an INED, has the appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules.

The Company has received written confirmation from each of its INEDs in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent.

The INEDs serve the relevant function of bringing independent judgement on the development, performance and risk management of the Company. They have the same duties of care and skill and fiduciary duties as the EDs.

Biographical details of the Directors and senior management of the Company as at the date of this report are set out on pages 59 to 63 of this report. Given the composition of the Board and the skills, knowledge and expertise that each Director brings to bear in its deliberations, the Board believes that it is appropriately structured to provide sufficient checks and balances to protect the interests of the Group and the Shareholders. The Board will review its composition regularly to ensure that it has the appropriate balance of expertise, skills and experience to continue to effectively oversee the business of the Company.

The Board has established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee different areas of the Company's affairs. All Board committees of the Company are established with their respective written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and of the Stock Exchange and are available to the Shareholders upon request.

CORPORATE GOVERNANCE REPORT

The composition of the Board and the Board committees are set out below and their respective responsibilities and work performed during the year are discussed in this report.

Board	Audit Committee	Remuneration Committee	Nomination Committee
EDs			
Ms. PAN Dong (<i>Chairman</i>)	–	✓	✓ (<i>Chairman</i>)
Mr. LUO Qiuping (<i>Chief Executive Officer</i>)	–	–	–
Ms. LUO Dong	–	–	–
Mr. POON Kwok Leung	–	–	–
Ms. XIAO Haishan	–	✓	–
INEDs			
Mr. Bruno Robert MERCIER	✓	✓	✓
Ms. NGAN Edith Manling	✓ (<i>Chairman</i>)	✓	–
Mr. HU Yebi	✓	✓ (<i>Chairman</i>)	✓

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews and monitors the corporate governance policies and practices on compliance with legal and regulatory requirements of the Group. Further, the Board reviews the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. It also decides on matters such as annual and interim results, major transactions, director appointments or reappointments and training, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the EDs and members of senior management. The Company maintains appropriate directors' and officers' liabilities insurance and will conduct an annual review on such insurance coverage.



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the Board convened a total of four Board meetings based on the needs of the operation and business development of the Company. Details of attendance of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee meetings, and also the AGM and extraordinary general meeting (“EGM”) are as follows:

	Number of Meetings Attended/Eligible to Attend					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM	EGM
EDs						
Ms. PAN Dong (<i>Chairman</i>)	4/4	N/A	1/1	1/1	1/1	1/1
Mr. LUO Qiuping (<i>Chief Executive Officer</i>)	4/4	N/A	N/A	N/A	1/1	1/1
Ms. LUO Dong	4/4	N/A	N/A	N/A	1/1	1/1
Mr. POON Kwok Leung	4/4	N/A	N/A	N/A	1/1	1/1
Ms. XIAO Haishan	4/4	N/A	1/1	N/A	1/1	1/1
INEDs						
Mr. Bruno Robert MERCIER	4/4	3/3	1/1	1/1	1/1	1/1
Ms. NGAN Edith Manling	4/4	3/3	1/1	N/A	1/1	1/1
Mr. HU Yebi	4/4	3/3	1/1	1/1	1/1	1/1

Under the CG Code, Board meetings should be held at least four times a year at approximately quarterly intervals. The Board held four meetings at approximately quarterly intervals during the year ended 31 December 2025 in accordance with the CG Code. Apart from regular Board meetings, the Chairman will also hold meeting(s) annually with the INEDs without the presence of other Directors. The Chairman held a meeting with the INEDs without the presence of other Directors during the year ended 31 December 2025 in accordance with the CG Code.



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, duties performed by the Board under Rule A.2.1 of Appendix C1 of the Listing Rules include, but not limited to:

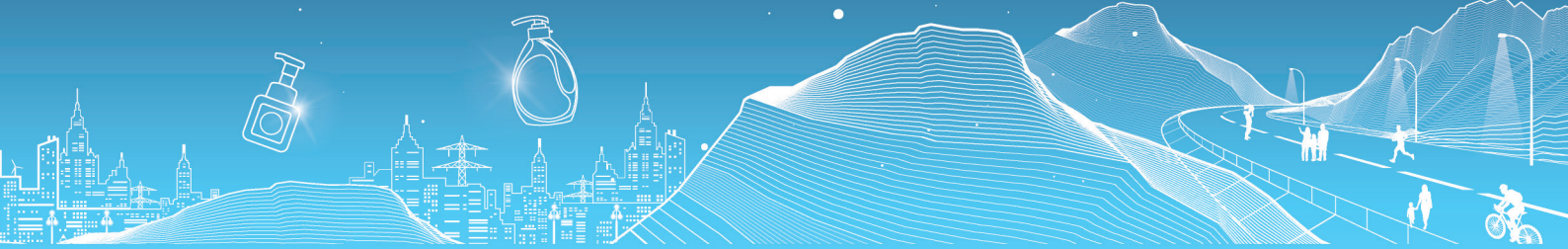
- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development ("CPD") of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and the Model Code and disclosure in the Corporate Governance Report.

Relationship among the Directors

There are no financial, business, family or other material/relevant relationships between any members of the Board throughout the year ended 31 December 2025, save that Ms. PAN, the Chairman and ED of the Company, is the wife of Mr. LUO, an ED and Chief Executive Officer of the Company. In the Board's opinion, this relationship does not affect the Directors' independent judgement and integrity in executing their roles and responsibilities. The INEDs bring a variety of experience and expertise to the Company.

Responsibilities of the Board and the Management

The Board is responsible for the leadership and directing and supervising of the Group's businesses, strategic decisions and performance. The Board reserves for its discretion on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Group. The Board is also responsible for developing and reviewing the appropriate corporate governance practices applicable to the Company's circumstances and ensuring processes and procedures are in place to achieve the Company's corporate governance objectives. Responsibilities relating to implementing decisions of the Board, directing and coordinating the day-to-day operation and management of the Group are delegated to the Chief Executive Officer and the management of the Group.



CORPORATE GOVERNANCE REPORT

Directors' Training

The Company recognises the importance of keeping the Directors updated with the latest information regarding the duties and obligations of a director of a company which shares are listed on the Stock Exchange and the general regulatory requirements and environment for such listed company.




















To meet this goal, each newly appointed Director would receive introductory training regarding the statutory and regulatory obligations of a director of a listed company in Hong Kong. As part of the CPD programme pursuant to the CG Code, the Company has also updated the Directors of any material changes in the Listing Rules and corporate governance practices from time to time.

Mandatory continuous training helps Directors to stay abreast of current trends and issues affecting the Group, while enabling them to refresh and enhance the skills and knowledge necessary for effective performance of their duties. A structured training programme was rolled out in 2025 to provide more focused training, supporting Directors in maintaining the competencies required to fulfil their roles effectively.







During the year ended 31 December 2025, all Directors had participated in CPD training as required under Rules 3.09F and 3.09G of the Listing Rules, by attending and participating in Board knowledge events, such as conferences, and sharing sessions on various topics specified below:

CORPORATE GOVERNANCE REPORT

2025 Directors' CPD Training Hours and Topics

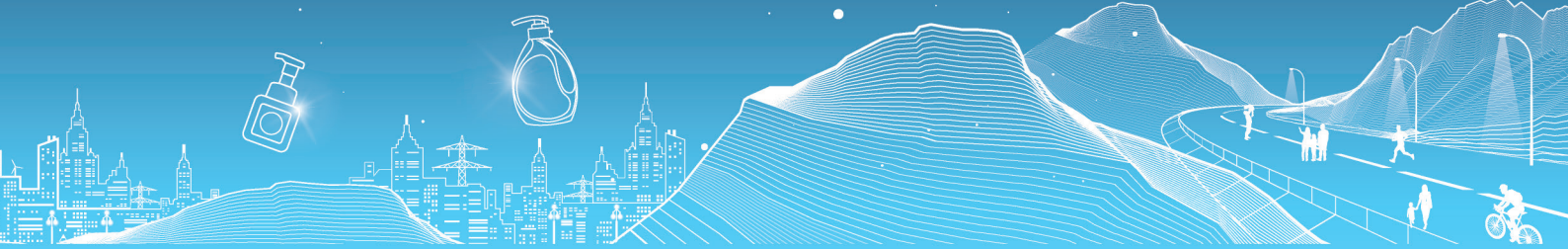
	Internal Training ¹	External Training ²	Self-learning ³	Total Training Hours
EDs				
Ms. PAN Dong	9.35 	–	1.00 	10.35
Mr. LUO Qiuping	9.35 	–	1.00 	10.35
Ms. LUO Dong	9.35 	–	1.00 	10.35
Mr. POON Kwok Leung	10.35 	19.80 	1.00 	31.15
Ms. XIAO Haishan	11.85 	–	1.00 	12.85
INEDs				
Mr. Bruno Robert MERCIER	9.35 	12.00 	1.00 	22.35
Ms. NGAN Edith Manling	9.35 	13.25 	19.00 	41.60
Mr. HU Yebi	8.35 	–	1.00 	9.35

Topics (inclusive of topics under Rule 3.09G of the Listing Rules):

-  Board and directors' duties and Board effectiveness
-  Listing Rules and Hong Kong law compliance including key legal and regulatory developments
-  Corporate governance and ESG
-  Risk management and internal controls
-  Industry and business updates
-  Other topics (e.g. Certified Public Accountants professional training courses etc.)

Notes:

1. Internal training includes attending training sessions organised by the Company and delivered by external consultant(s), legal advisor(s), accounting firm(s) or other training courses providers.
2. External training Includes attending as participant at expert briefings, workshops, seminars and conferences organised by professional parties, industry experts, businesses or other external bodies or entities.
3. Self-learning includes undertaking self-study on the above topics (e.g. reading reports and other self-learning materials).



CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

The Nomination Committee took into consideration criteria such as difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service and other qualities of the members of the Board when considering the appointment of new Directors. Currently, all Directors are appointed for a specific term of three years. The average tenure of the current Board members being the Directors of the Company as at the date of this report is 5.8 years.

Pursuant to Article 84(1) of the Articles of Association, Ms. PAN, Mr. LUO and Mr. MERCIER shall retire by rotation at the forthcoming AGM, and being eligible, will offer themselves for re-election at the forthcoming AGM.

Chairman and Chief Executive Officer

During the year and as at the date of this report, the Chairman and the Chief Executive Officer of the Company are Ms. PAN and Mr. LUO, respectively. The roles of the Chairman and Chief Executive Officer are clearly defined and segregated to ensure independence and accountability of their functions and balanced distribution of authority and power between them.

The Chairman has executive responsibilities, provides leadership to, and oversees the functioning of, the Board to ensure that it acts in the best interests of the Group, while the Chief Executive Officer is delegated with the authority to manage the business of the Group in all aspects effectively and is accountable to the Board for the overall implementation of the Company's strategies and management of the operations of the Board. The division of work ensures a definite division of powers and obligations to enable efficient decisions and implementations by the Board and the management.

Audit Committee

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to (among other things) (i) review and supervise the financial reporting process, risk management and internal control system of the Group, (ii) review the financial information of the Group, and (iii) consider issues in relation to the external auditors and their appointment.



CORPORATE GOVERNANCE REPORT

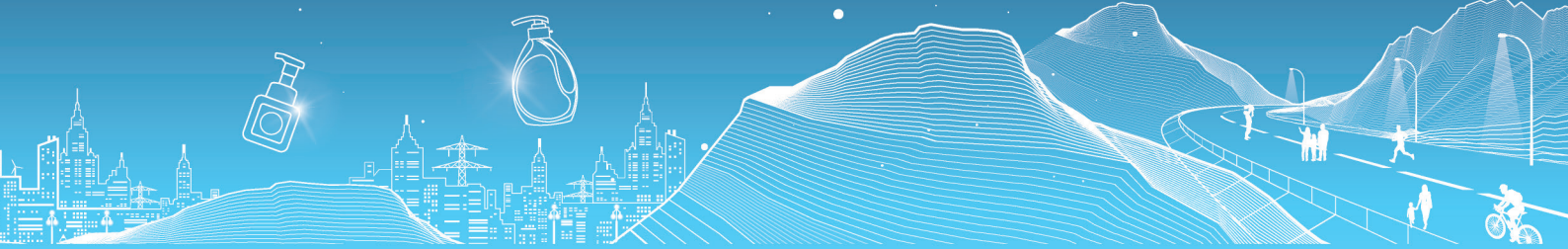
In accordance with the terms of reference of the Audit Committee, for the year ended 31 December 2025 it was responsible for:

- reviewing accounting policies adopted by the Group and issues related to accounting practice;
- reviewing the external auditor's qualifications, independence and performance;
- reviewing the external auditor's management letter and the management's response;
- reviewing the audited annual results, interim results and consolidated financial statements of the Group;
- assisting the Board to evaluate on the effectiveness of financial reporting procedures, risk management and internal control system; and
- advising on material events or drawing the attention of the management on related risks.

Having conducted the relevant review, the Audit Committee is of the view that the consolidated financial statements of the Group for the year ended 31 December 2025 comply with the applicable accounting standards and the Listing Rules, and that sufficient disclosures have been made.

The Audit Committee comprises three INEDs, namely, Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi. The chairman of the Audit Committee is Ms. NGAN Edith Manling, who has a professional qualification in accountancy.

According to the CG Code, the Audit Committee must meet with the Company's auditors at least twice a year. In accordance with the terms of reference of the Audit Committee, the Audit Committee held three meetings during the year ended 31 December 2025 and two meetings with the Company's external auditors regarding the review of the Company's financial report and accounts.



CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Board has established a remuneration committee (“**Remuneration Committee**”) with written terms of reference in compliance with Rule 3.26 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are to (among other things) (i) formulate, the Company’s remuneration policy and structure for all Directors’ and senior management’s remuneration, (ii) recommend to the Board on remuneration packages of individual EDs and senior management, (iii) review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives, (iv) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate, (v) assess performance of EDs, and (vi) ensure that no Director or any of his or her associates is involved in deciding his or her own remuneration.

The emoluments of Directors are determined by reference to the skills, experience, responsibilities, employment conditions and time commitment in the Group’s affairs and performance of each Director as well as salaries paid by comparable companies and the prevailing market conditions.

Work conducted by the Remuneration Committee for the year ended 31 December 2025, include, but not limited to:

- determining the policy for remuneration of the EDs;
- assessing the performance of the EDs; and
- reviewing and approving matters related to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises two EDs and three INEDs, namely, Ms. PAN Dong, Ms. XIAO Haishan, Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi. The chairman of the Remuneration Committee is Mr. HU Yebi.

The Remuneration Committee held one meeting during the year ended 31 December 2025 to perform its duties.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining, the Group, or as compensation for loss of office.

Further details of the remuneration of the Board for the year ended 31 December 2025 are set out in note 9 to the consolidated financial statements contained in this report.



CORPORATE GOVERNANCE REPORT

Nomination Committee

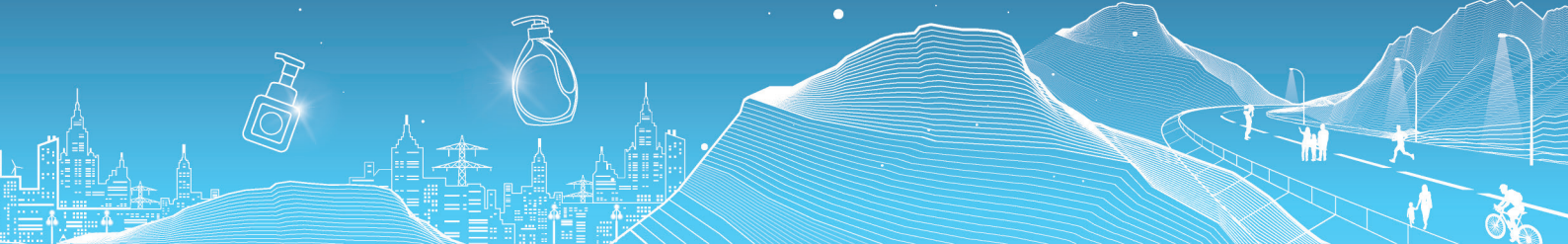
The Board has established a nomination committee (the “**Nomination Committee**”) with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to (among other things) (i) review the structure, size, composition and diversity (including the skills, knowledge, experience and gender) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having regard to the diversity policy, (iii) assess the independence of INEDs, (iv) recommend to the Board on the appointment and re-appointment of directors, and (v) recommend to the Board on the succession planning for directors, in particular the chairman and the chief executive of the Company.

The Nomination Committee comprises one ED and two INEDs, namely, Ms. PAN and Messrs. Bruno Robert MERCIER and HU Yebi. The chairman of the Nomination Committee is Ms. PAN.

The Nomination Committee held one meeting during the year ended 31 December 2025 to perform its duties.

Nomination Policy

The Company has clear basis and procedures for the nomination and appointment of the Directors. The Board will take into account factors such as qualifications, skills, experience, character and integrity, independence and diversity of the candidates, and whether or not the candidate is willing and able to devote adequate time to discharge duties as a member of the Board and Board committee upon receipt of the proposal of appointment of new Directors or the nomination proposal made by the Shareholders at general meetings of the Company. Selection of candidates will also take into account the board diversity policy of the Company (the “**Board Diversity Policy**”). When the Directors are re-elected at general meetings, apart from the above standards, the Board will also review the overall contributions and services of the retiring Directors to the Company and their level of participation and performance in the Board.



CORPORATE GOVERNANCE REPORT

Mechanisms to ensure Independent Views and Input are Available to the Board

During the year, the Nomination Committee also conducted annual review of the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following key features and mechanisms, the Nomination Committee considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

<p>Board and Committees' Structure</p>	<ul style="list-style-type: none"> • The Company has been steered by the Board, comprising EDs and INEDs. • Separation of the role of the Chairman and the Chief Executive Officer ensures that there is a balance of power and authority. • The Board will maintain a balanced composition of EDs and INEDs to ensure strong independence of the Board.
<p>Remuneration Structure of INEDs</p>	<ul style="list-style-type: none"> • The INEDs receive fixed fee(s) for their role(s) as the members of Board Committee(s) as appropriate, and are not entitled to participate in the share award plans of the Company. Information about the Directors' remuneration is set out in the Remuneration Committee Report and note 9 to the consolidated financial statements.
<p>Annual Review of INEDs' Commitment and Independence</p>	<ul style="list-style-type: none"> • None of the INEDs serves as the independent non-executive director on the board of directors of more than 7 listed companies and none of them served as an INEDs of the Company for more than 9 years. • The INEDs have sufficient capacity and status to enable their opinions to have some influence. • The Board will continually assess each Director's independence against all relevant factors.
<p>Professional Advice</p>	<ul style="list-style-type: none"> • To facilitate proper discharge of the Directors' duties, all Directors are entitled to seek advice from the Company Secretary as well as from independent professional advisers at the Group's expense.



CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

The Company has established the “Whistleblowing Policy” for employees and parties dealing with the Company including customers and suppliers to directly report to the internal audit function for any serious concerns about suspected fraud, corruption, malpractice, misconduct, or possible improprieties in financial reporting, internal control or other matters irregularity of the Group. The internal audit function will investigate the reported case in a confidential and timely manner and report the results of investigations to the Audit Committee and the ED(s) authorised by the Board.

Anti-corruption Policy

The Group has formulated an anti-corruption policy which sets out the responsibilities of employees of the Group to comply with applicable anti-corruption laws and provides guidance to employees to deal with business partners, acquisitions, charitable donations, gifts and hospitality. Further details of the anti-corruption policy are set out in the 2025 ESG Report.

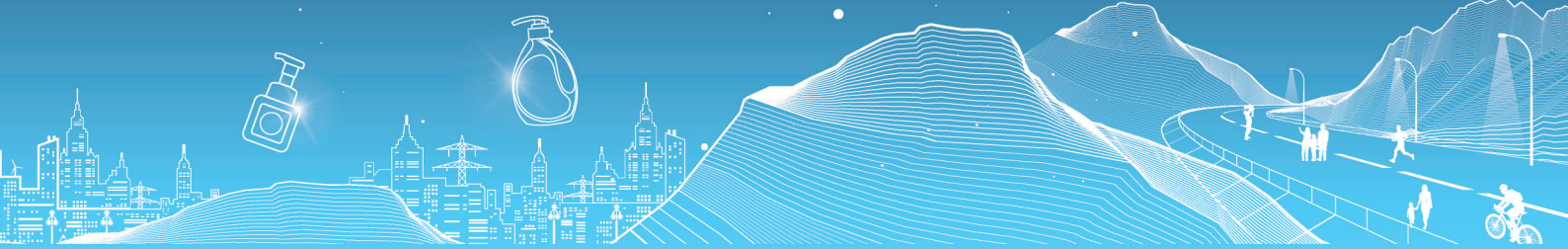
Board Diversity

The Board has adopted the Board Diversity Policy which sets out the approach to achieving diversity for the Board.

The Company endorses the principle that the Board should have a balance of skills and experience appropriate to the business of the Group. In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a number of factors when making nominations to the Shareholders for appointments to the Board and the continuation of those appointments. The Board considers gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors which the Board may consider relevant and applicable from time to time.

Selection of candidates will be based on the nomination policy of the Company and will take into account the Board Diversity Policy. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect.

The Nomination Committee will monitor the implementation of the Board Diversity Policy by conducting a review of the Board’s composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to the Board Diversity Policy when making recommendations on any Board appointments. The Nomination Committee will also ensure that diversity of the Board is considered as part of the evaluation of the Board’s effectiveness.



CORPORATE GOVERNANCE REPORT

The Nomination Committee has been delegated the responsibility to review the Board Diversity Policy, as appropriate, to ensure the effectiveness thereof. The Nomination Committee will discuss any revisions to the Board Diversity Policy that may be required and make recommendations to the Board for approval.

The Board is responsible for reviewing the diversity of the Board. During the year ended 31 December 2025, the Board has four female Directors, representing approximately 50% of the Board and four male Directors of a variety of education and professional background, who possess a diverse range of experience, skills and expertise and bring different insights to the Board. The Board monitored the overall implementation of the Board Diversity Policy on an annual basis, reviewed the Board Diversity Policy and is satisfied with its effectiveness to achieve the diversity of the Board for the year ended 31 December 2025.

The Board targets to maintain at least the current level of female representation, of 50% of the Board and will consider to increase the proportion of female members over time if as and when suitable candidates are identified. In order to further enhance the diversity of the Board, the Board will also engage independent professional agencies to assist with identifying suitable candidates for the Directors if needed.

The Board will maintain a balanced composition of the EDs and INEDs to ensure strong independence of the Board. The INEDs should have sufficient capacity and status to enable their opinions to have some influence. The Board will continually assess each Director's independence against all relevant factors.

In order to ensure that the Board's composition complies with the Listing Rules and reflects an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance and business and contribute to the Board's effectiveness and efficiency, the Nomination Committee has reviewed the structure, size and diversity of the Board as well as the Board Diversity Policy for the year ended 31 December 2025.

Diversity

The Company advocates for a diverse and inclusive workplace and proactively attracts talents through campus recruitment, social recruitment, school-enterprise cooperation and other channels to recruit excellent talents. The Company constantly optimises the workforce composition to achieve a reasonable distribution of employees by gender, age and region. In addition, the Company provides equal employment opportunities for people with disabilities, ensures equal opportunities for all, and encourages cooperation at a workplace defined by cultural diversity.



CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the Board had 50% female representation, with 4 female directors out of 8, and the Company had a total of 6,514 employees, of which female employees accounted for 49% and 50% of senior management were women. The Group fosters a culture of diversity and inclusion where employees are treated fairly regardless of factors such as ethnicity, gender, religion, age, health status, or nationality. The Group has a zero-tolerance policy towards discrimination and harassment in the workplace, and any instances of such behavior are promptly addressed and corrected. More details on the Group's diversity and inclusion initiatives, including employees' gender ratios, are set out in the 2025 ESG Report.

Directors' and Auditors' Responsibilities for the Financial Statements

The Directors are responsible and acknowledge their responsibility for overseeing the preparation of financial statements for each financial period to ensure that they give a true and fair view of the financial position of the Company and the Group, and of the Group's financial performance and cash flows for that period. The Directors also ensure the timely publication of the financial statements of the Company. The Directors were not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently, and that judgements and estimates made are prudent and reasonable.

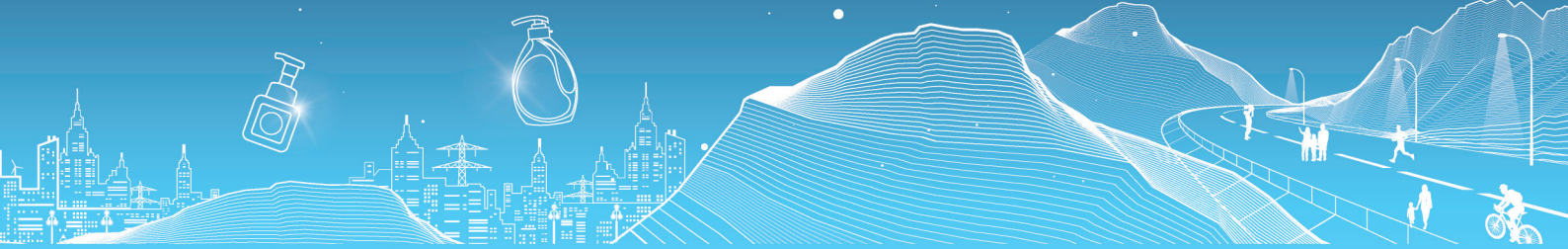
The statement by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 87 to 92.

Company Secretary

Mr. POON Kwok Leung is the Company Secretary of the Company. He has day-to-day knowledge of the Company and is responsible for advising the Board on corporate governance matters. The biographical information of Mr. POON is set out in the section headed "Board of Directors and Senior Management" on page 60 of this report. Mr. POON has confirmed that he has taken not less than 15 hours of relevant professional training during the year ended 31 December 2025 in compliance with Rule 3.29 of the Listing Rules.

Risk Management and Internal Control

A sound and effective system of risk management and internal control is designed to achieve the Group's objectives, including operating efficiency and effectiveness, reliability of financial reporting, compliance with applicable laws and regulations, and safeguard shareholder investments and the Group's assets.



CORPORATE GOVERNANCE REPORT

The Group faces a number of principal risks and uncertainties that, if not properly managed, could create an exposure for the Group. Key risks faced by the Group include, without limitation to operational risk, (mainly due to challenges in setting targets, selecting channels, managing partners and executing pipeline strategies that the Company may encounter in the pipeline management, which may lead to the risk that such targets deviate from the realities) and financial risks (mainly due to changes in sales channels, with great financial risks that may be brought to the Company if the return fails to meet expectations given the fact that the development of new business by the Company will be accompanied by significant investments in selling expenses). The Group is also exposed to the market risk that it is required to flexibly adjust sales strategies to maintain its market competitiveness due to the continuous changes in factors such as market environment, consumer behavior, technological advancement and competitors' activities. For further details, see note 3 to the consolidated financial statements contained in this report and the 2025 ESG report.

The Board acknowledges its responsibility to establish, maintain, and review the effectiveness of the Group's risk management and internal control system. Such systems are designed to identify and manage risks within acceptable limits rather than eliminate risk of failure to achieve business and strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board monitors the Group's risk exposure, oversees the actions of management and monitors the overall effectiveness of the risk management and internal control systems on an ongoing basis. The Board will seek support from the Audit Committee on such monitoring from time to time. The management is also delegated with the responsibility to design, implement and monitor risk management and internal control systems on an ongoing basis. Policies and procedures form the basis and set forth the control standards required for functioning of the Group's business entities. These policies and procedures cover various aspects, including operations, finance and accounting, human resources, regulatory and compliance, delegation of authority, etc.

The Group has developed its risk management and internal control system based on the five features of the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) framework (i.e. internal control environment, risk assessment, control activities, information and communication, supervision). At the same time, the Group has also established three lines of defense for risk management. The business and planning departments act as the first line of defense to identify existing and potential risks in daily operations and to manage such risks. The finance, legal affairs, environment, health and safety and quality assurance departments form the second line of defense to conduct professional risk management, assist and supervise risk management in the business and strengthen internal control. The internal audit function acts as the third line of defense and provides independent and objective evaluation and verification of the effectiveness of the Group's risk management and internal control system. Each line of defense adheres to the Group's values of trust, respect and excellence, and is committed to promoting and maintaining operational compliance, integrity in the operating environment and corporate culture.



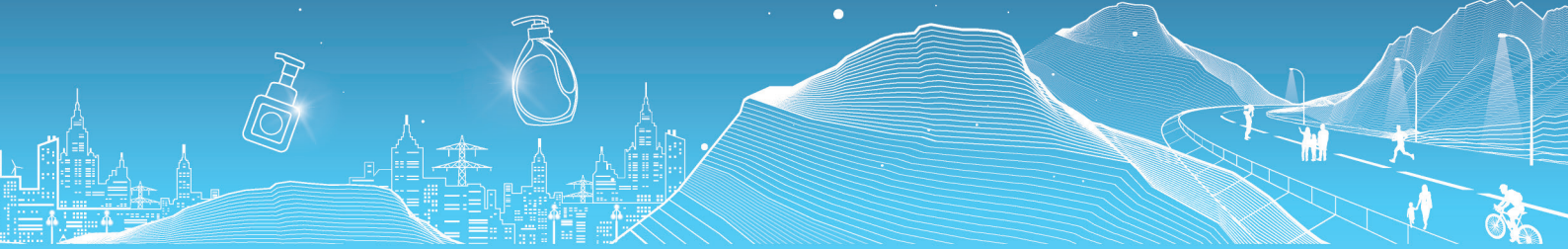
CORPORATE GOVERNANCE REPORT

Since 2021, the Group has established comprehensive risk management to effectively manage and alleviate risks inherent in the business to protect the Group, its customers and partners, and to fulfil its regulatory obligations. An ongoing process has been established since 2021 for identifying, evaluating and managing the significant risks faced by the Group. The process involves:

- **Risk Identification:** identify risks that may potentially affect the Group's businesses and operations;
- **Risk Evaluation:** consider the impact on the business and the likelihood of their occurrence; and
- **Risk Management:** perform ongoing and periodic monitoring of the risks and ensure that appropriate internal control processes are in place.

The risk management team conducts annual risk assessments in a top-down manner beginning with the person-in-charge from each sector and business department. Relevant opinions are ranked in order of importance based on risk assessment standards and are sorted and evaluated. After the risk assessment is completed, an audit plan is prepared to determine the key risk areas which will be further refined based on the opinions of senior management. Through this top-down approach, the risk management team can often re-evaluate risks that were initially listed as low-priority items and identify such risks that may have been overlooked. The risk management team will then conduct a review during the year and issue a risk management report. Review work is a fundamental part of the audit plan and results from the review will be the basis for future remedial actions to be taken by the Group to reduce risks and improve business performance. The Audit Committee is responsible for reviewing the risk management report and supervising the implementation of relevant remedial action plans.

The Board is responsible for maintaining an adequate risk management and internal control system on an ongoing basis to safeguard shareholder investments and Group assets. The Board has conducted an annual review on the Group's risk management and internal control systems and their effectiveness. The review covered the period from 1 January 2025 to 31 December 2025 and all material controls, such as financial control, operational control and compliance control including the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit, financial reporting functions and the Company's ESG performance and reporting, and considered the changes in the nature and extent of significant risks including ESG risks as well as the Company's ability to respond to changes in its business and the external environment. The review also covers the scope and quality of the management's ongoing monitoring of risks (including ESG risks), internal control system and internal audit function, extent and frequency of communication of monitoring results to the Board: significant control failings or weakness and procedures related to financial reporting and compliance with the Listing Rules, and considered them effective and sufficient. Going forward, the Board will review the Group's risk management and internal control systems at least once a year.



CORPORATE GOVERNANCE REPORT

The internal audit department of the Group has carried out internal audit activities in an orderly manner in accordance with the annual special plan, without engaging external assurance service providers. The Group has confirmed that there have been no significant changes in the risk management and internal control systems during the year, and that no significant control failings or weaknesses have been identified. Remedial actions have been taken for all identified internal control deficiencies and the remediation of previously reported matters has been put in place. In addition, the independent auditor has reported to the Audit Committee and the Board on the matters related to the internal control deficiencies during the year, and confirmed that the Group did not have any significant internal control deficiencies or weaknesses.

The management of the Group has confirmed to the Board that the Group's risk management and internal control systems are effective and adequate. Based on the review and management's confirmation, the Board considered that the risk management and internal control systems of the Group during the year are effective and adequate.

Internal Audit

The Group has an internal audit function (the “**Internal Audit**”) which is being carried out collectively by the internal control, auditing and supervision teams. The Internal Audit function is independent from operation management and has full access to data required in performing internal audit reviews. Internal audits are conducted according to the annual internal audit plan to review the major operational, financial, compliance and risk management controls of the Group. During the process of the internal audit, the Internal Audit function will identify internal control deficiencies and weaknesses and propose recommendations for improvements. Internal audit findings and control deficiencies are communicated to the internal audit team and the management, who are responsible for ensuring the deficiencies are rectified within a reasonable period. The Audit Committee is responsible for reviewing the internal audit plan and supervising the implementation of remedial actions. A follow-up review would also be performed to ensure remedial actions are adequately implemented.



CORPORATE GOVERNANCE REPORT

Inside Information

The Group is aware of its obligations under relevant sections of the SFO and the Listing Rules. For the year ended 31 December 2025, the Group has implemented procedures and internal controls for the handling and dissemination of inside information, including:

- Putting in place procedures to preserve the confidentiality of price-sensitive and/or inside information relating to the Group;
- Communicating such procedures to all Directors, senior management and relevant employees who are likely to have access to price-sensitive and/or inside information, and reminding them from time to time that they are required to comply with such procedures; and
- Conducting its affairs with close regard to the disclosure requirement under the Listing Rules and the related guidance.

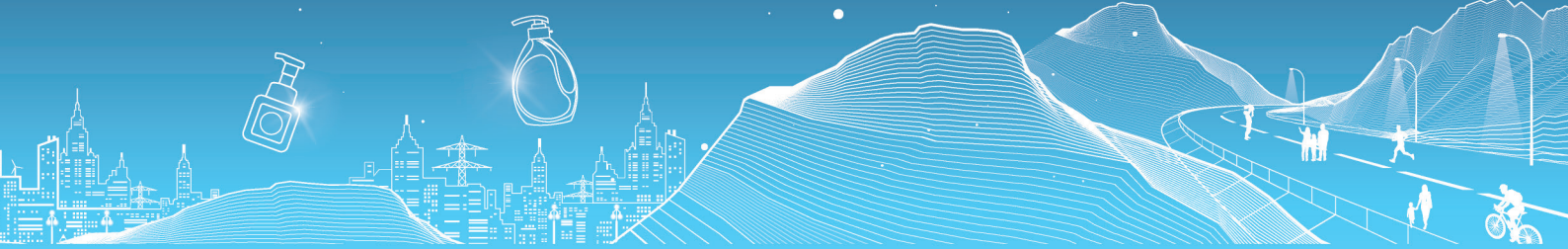
Dividend Policy

The objective of the Company's dividend policy (the "**Dividend Policy**") is to allow the Shareholders to participate in the Company's profits, while also ensuring that adequate reserves are retained for future prospects of the Group.

According to the Dividend Policy, in deciding whether to declare or recommend any dividend distribution, the Directors will consider, among other things, the Company's results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on the generally accepted accounting principles in Hong Kong, the applicable PRC laws and regulations in respect of repatriation of dividends and distributions, the Cayman Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time, the other applicable laws and regulations and all other relevant factors.

Any declaration and payment of dividend shall remain to be determined at the discretion of the Board and subject to compliance with all applicable laws and regulations including the laws of the Cayman Islands and the Articles of Association. The Board will review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

The Company confirms that all dividend decisions made by the Board were made in accordance with the Dividend Policy.



CORPORATE GOVERNANCE REPORT

Remuneration Policy

The Group offers a competitive remuneration and benefits package to its employees. The Group also participates, in accordance with the requirements of PRC laws and regulations, in various employee social insurance plans (including pension, unemployment insurance, medical insurance, employment injury insurance and maternity insurance) and housing provident schemes for the employees, which are managed by local governments. In addition, discretionary bonus may be granted to eligible employees based on the Group's and individual's performance.

During the year, all senior management of the Company are Directors and details of benefits and interests of Directors and five highest paid individuals, and the remuneration by band of the highest paid employee excluding the Directors for the year ended 31 December 2025 are set out in note 9 and note 8 to the consolidated financial statements. For details of remuneration policy of the Directors, please refer to section headed "Remuneration Committee".

Auditor's Remuneration

The remuneration paid/payable to the Company's independent auditor, PricewaterhouseCoopers, and its affiliated firms, for its audit/audit-related services and non-audit services for the year ended 31 December 2025 were HK\$3.6 million and HK\$1.1 million, respectively. Non-audit services include tax compliance and advisory services and other services. There has been no change of auditor of the Company in the three years preceding the date of this report.

Corporate Social Responsibility

The Group is committed to being a successful and responsible corporate citizen. As such, the Group is committed not only to delivering quality products and service to customers of the Group, and strong and sustained financial performance to the Shareholders, but also to giving back to the society. The Group aims to achieve this by, among other things, ensuring that employees of the Group are treated with fairness and respect, and by achieving the goals of the Group through environmentally-friendly means.

Environment and Compliance with Laws

The Group is committed to minimising the impact on the environment from its business activities and details of such efforts are set out in the 2025 ESG Report. As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects, including requirements under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Listing Rules, the SFO and the CG Code for among other things, disclosure of information and corporate governance.



CORPORATE GOVERNANCE REPORT

Material Change in the Articles of Association

No changes have been made to the Articles of Association by the Company for the year ended 31 December 2025.

The Board proposed to adopt the third amended and restated memorandum of association and third amended and restated articles of association. The brief details of which are set out in the announcement of the Company dated 26 March 2026 and the upcoming AGM circular of the Company.

Relationship with Stakeholders

The Group recognises that the interests of stakeholders, including employees, the Shareholders and investors, customers, suppliers, government entities, industry partners and community partners have significant impact on the Group, and are vital to the sustainable development of its business operation and therefore, the Group is committed to maintaining effective communication with the stakeholders to enhance the relationship and co-operation for the long-term development of the Group.

Further information on how the Group communicates with different stakeholders are set out in the 2025 ESG Report which will be published on the websites of the Company and the Stock Exchange.

Investor and Shareholder Relations

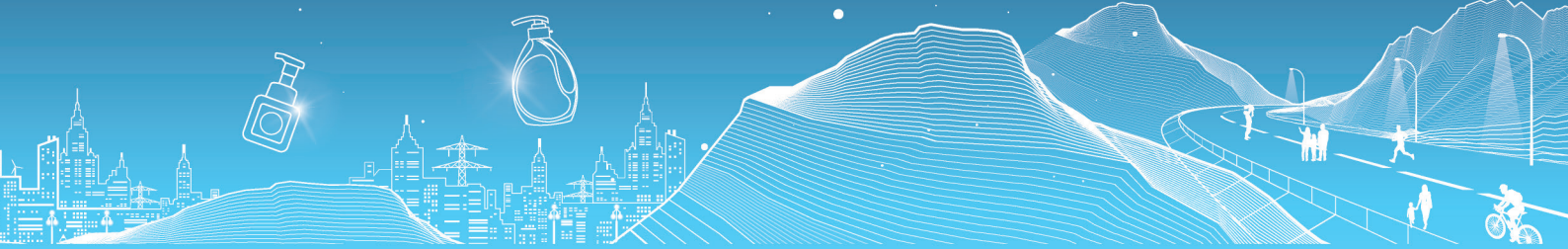
The Board believes that effective and proper investor relations play an important role in creating the Shareholders' value and enhancing corporate transparency, as well as establishing market confidence. As such, the Board is dedicated to maintaining an ongoing dialogue with the investors and the Shareholders.

Information is communicated to the investors and the Shareholders mainly through the Company's financial reports (interim and annual reports), general meetings, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website. Investors' and analysts' briefings and roadshows, and press conferences are conducted on a regular basis in order to facilitate communication between the Company, the investors and the Shareholders.

To facilitate the exchange of views between the Shareholders and the Board, the Board members (or their delegates (if applicable)), appropriate executive management personnel and the external auditor will attend the AGM and answer questions raised by the Shareholders.

Shareholders' Rights

The Company aims, via its corporate governance structure, to enable all its Shareholders an equal opportunity to exercise their rights in an informed manner and allow them to engage actively with the Company.



CORPORATE GOVERNANCE REPORT

Under the Articles of Association, the Shareholders' Communication Policy and other relevant internal procedures of the Company, the Shareholders enjoy, among other thing, the following rights:

Right to Convene Extraordinary General Meetings

Pursuant to Article 58 of the Articles of Association in force as at 31 December 2025, extraordinary general meetings may be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company, on a one vote per share basis, having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolutions specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place (as defined in the Articles of Association), and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Shareholders may also contact the Investor Relations Department of the Company from time to time to understand the information published by the Company. The Company will inform the Shareholders of the designated email address and enquiry hotline of the Company so that they can make any inquiries of the Company.

Right to Participate at General Meeting

The Company encourages the Shareholders to participate in general meetings, either in person or via proxies, to exercise their rights. The general meetings provide important opportunities for the Shareholders to express their views to the Board and management. The Company provides details of the general meetings to the Shareholders in a notice prior to the meeting in compliance with the Articles of Association and the Listing Rules. The Shareholders are encouraged to ask questions about or comment on the results, operations, strategy and/or management of the Group at general meetings. The chairmen of the Board committees, appropriate management executives and auditors of the Company will be available at general meetings to answer questions from the Shareholders. Time is set aside in each general meeting for such question and answer sessions.



CORPORATE GOVERNANCE REPORT

Right to Put Forward Enquiries and Proposals to the Board and at General Meetings

The Shareholders may at any time send their enquiries to the Board for the attention of the Company Secretary by directing them to the Company's principal place of business in Hong Kong at Unit 4606, 46/F, COSCO Tower, Grand Millennium Plaza, No. 183 Queen's Road Central, Hong Kong.

The Company publishes on its website the latest company news relating to the Group on a regular basis. The public is welcome to provide opinions and make enquiries through the Company's website. The Company regularly organises various activities, including holding briefing sessions and individual meetings with investors/analysts, non-deal roadshows, media interviews as well as organizing/participating in industry conferences, etc. to facilitate communication between the Company and the Shareholders, stakeholders and investors and to understand their views.

The Shareholders' Communication Policy sets out detailed procedures under which the Shareholders may communicate to the Board any enquiries they may have. All shareholder correspondences received by the Company will be delivered to the Group's Investor Relations Department (the "IR Department") for an initial review.

The Board recognises its responsibility to represent the interests of all Shareholders and to maximise shareholder value. Therefore, the Board strongly encourages the Shareholders to put forward proposals at general meetings including written notice of those proposals that could be addressed to the Company Secretary at the above address.

Implementation and Effectiveness of the Shareholders' Communication Policy Conducted during the year

The Shareholders' Communication Policy ensures that the Shareholders are provided with ready, equal and timely access to information about the Group (including its financial performance, strategic goals and plans, material developments and governance), and also allows them to engage actively with the Group. The executive committee of the Company, comprising three EDs, has reviewed the Shareholders' Communication Policy during the year ended 31 December 2025 and was satisfied with its implementation and effectiveness. Queries received from the IR Department during the year have been recorded and responded and relevant actions have been taken, if necessary.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blue Moon Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Blue Moon Group Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 93 to 195, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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



INDEPENDENT AUDITOR'S REPORT

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

The key audit matter identified in our audit is related to Revenue recognition – sales of goods.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition – sales of goods</p> <p>Refer to Note 5 to the consolidated financial statements.</p> <p>Revenue from sales of goods amounted to HK\$8,409 million for the year ended 31 December 2025. Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customers.</p> <p>We focused on this area due to its large volume and large number of customers involved with goods distributed to different locations. Furthermore, the amount of sales of goods is significant to the consolidated financial statements. Therefore, we identified revenue recognition – sales of goods as a key audit matter.</p>	<p>In addressing this key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none">– Understood, evaluated and tested, on a sample basis, management's internal controls over revenue recognition from the sales of goods;– Evaluated the Group's accounting policy on revenue recognition against the requirements of accounting standards;– Checked, on a sampling basis, revenue transactions to customer contracts to identify the commercial terms and conditions, including the performance obligations and shipping terms, and examine relevant supporting evidence such as sales orders, invoices, delivery records and goods receipt notes; and



INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the Key Audit Matter
	<ul style="list-style-type: none">– Checked, on a sampling basis, revenue transactions recorded before and after the financial year end date to relevant supporting evidence (including goods receipt notes or delivery records, where appropriate) to assess whether they are recorded in the proper periods. <p>Based on the procedures performed, we found the revenue transactions tested were supported by the evidence we gathered.</p>

Other Information

The directors of the Company are responsible for the other information. The other information comprises 2025 Environmental, Social and Governance Report and all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

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

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



INDEPENDENT AUDITOR'S REPORT

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is CHAN, Kam Chiu, Raymond (practising certificate number: P04992).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 March 2026



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	8,408,911	8,555,601
Cost of sales	7	(3,387,960)	(3,372,165)
Gross profit		5,020,951	5,183,436
Other income and other gains/(losses), net	6	60,863	(29,508)
Selling and distribution expenses	7	(4,467,954)	(5,048,522)
General and administrative expenses	7	(961,524)	(1,103,243)
Provision for impairment losses of financial assets	21	(7,399)	(6,327)
Operating loss		(355,063)	(1,004,164)
Finance income	10	121,774	223,808
Finance costs	10	(3,301)	(4,652)
Finance income, net	10	118,473	219,156
Loss before income tax		(236,590)	(785,008)
Income tax (expense)/credit	11	(92,343)	35,696
Loss for the year		(328,933)	(749,312)
Loss attributable to equity holders of the Company		(328,933)	(749,312)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
Loss for the year		(328,933)	(749,312)
Other comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences from translation of financial statements of subsidiaries		100,709	(103,790)
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Change in the fair value of financial asset at fair value through other comprehensive income	18	(1,026)	(308)
Other comprehensive income/(loss) for the year, net of tax		99,683	(104,098)
Total comprehensive loss for the year		(229,250)	(853,410)
Total comprehensive loss attributable to equity holders of the Company		(229,250)	(853,410)
Loss per share attributable to equity holders of the Company			
Basic (HK cents)	13	(6.23)	(13.74)
Diluted (HK cents)	13	(6.23)	(13.74)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Intangible assets	15	94,036	109,630
Property, plant and equipment	16	1,428,006	1,402,965
Right-of-use assets	17	373,568	387,812
Prepayments for property, plant and equipment	22	61,038	35,673
Deferred income tax assets	28	610,782	584,761
Financial asset at fair value through other comprehensive income	18	8,477	9,281
		2,575,907	2,530,122
Current assets			
Inventories	20	520,751	487,579
Trade and bills receivables	21	1,655,644	1,208,123
Prepayments, deposits and other receivables	22	876,827	804,700
Financial asset at fair value through profit or loss	19	1,303	–
Tax recoverable		–	4,600
Fixed deposits	23	111,557	54,095
Cash and cash equivalents	23	3,604,664	5,216,379
		6,770,746	7,775,476
Total assets		9,346,653	10,305,598
EQUITY			
Equity attributable to owners of the Company			
Share capital	24	58,641	58,631
Other reserves	26	7,914,135	8,711,187
Accumulated losses		(455,458)	(105,219)
Total equity		7,517,318	8,664,599



CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2025

	Note	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Deferred government grant	27	53,258	53,259
Deferred income tax liabilities	28	101,586	96,218
Lease liabilities	17	48,222	66,918
		203,066	216,395
Current liabilities			
Trade payables	29	742,106	659,681
Contract liabilities, accruals and other payables	30	807,725	697,875
Amounts due to a related company	32	412	447
Current income tax liabilities		39,339	33,855
Lease liabilities	17	36,687	32,746
		1,626,269	1,424,604
Total liabilities		1,829,335	1,640,999
Total equity and liabilities		9,346,653	10,305,598
Net current assets		5,144,477	6,350,872
Total assets less current liabilities		7,720,384	8,880,994

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

These consolidated financial statements on pages 93 to 195 have been approved for issue by the Board of Directors on 26 March 2026 and were signed on its behalf.

Pan Dong
Director

Poon Kwok Leung
Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company			
	Share capital	Other reserves	Accumulated losses	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025	58,631	8,711,187	(105,219)	8,664,599
Loss for the year	–	–	(328,933)	(328,933)
Other comprehensive income/(loss):				
Exchange translation of foreign operations	–	100,709	–	100,709
Change in the fair value of financial assets at fair value through other comprehensive income	–	(1,026)	–	(1,026)
Total comprehensive income/(loss) for the year	–	99,683	(328,933)	(229,250)
Transactions with the owners of the Company				
Issuance of ordinary shares upon exercise of share options (Note 24)	10	3,704	–	3,714
Final dividend relating to 2024 (Note 12)	–	(332,546)	–	(332,546)
Interim dividend relating to 2025 (Note 12)	–	(446,772)	–	(446,772)
Share-based compensation expense (Note 25(c))	–	77,349	–	77,349
Purchase of shares held for Share Award Plan (Note 25(b))	–	(219,776)	–	(219,776)
Appropriation to statutory surplus reserves	–	21,306	(21,306)	–
As at 31 December 2025	58,641	7,914,135	(455,458)	7,517,318



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company			
	Share capital	Other reserves	(Accumulated losses)/retained earnings	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	58,630	9,073,699	1,246,714	10,379,043
Loss for the year	–	–	(749,312)	(749,312)
Other comprehensive loss:				
Exchange translation of foreign operations	–	(103,790)	–	(103,790)
Change in the fair value of financial assets at fair value through other comprehensive income	–	(308)	–	(308)
Total comprehensive loss for the year	–	(104,098)	(749,312)	(853,410)
Transactions with the owners of the Company				
Issuance of ordinary shares upon exercise of share options (Note 24)	1	413	–	414
Final dividend relating to 2023 (Note 12)	–	–	(329,127)	(329,127)
Interim dividend relating to 2024 (Note 12)	–	–	(219,972)	(219,972)
Share-based compensation expense (Note 25(c))	–	62,798	–	62,798
Purchase of shares held for Share Award Plan (Note 25(b))	–	(375,147)	–	(375,147)
Appropriation to statutory surplus reserves	–	53,522	(53,522)	–
As at 31 December 2024	58,631	8,711,187	(105,219)	8,664,599

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash used in operations	31(a)	(381,823)	(882,231)
Interest received		122,616	223,909
Income taxes paid		(92,740)	(236,486)
Net cash outflow from operating activities		(351,947)	(894,808)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(188,001)	(129,959)
Proceeds from disposal of property, plant and equipment	31(b)	8,901	3,558
Acquisition of intangible assets	15	(2,985)	(19,898)
Decrease in fixed deposits		(58,304)	2,935,102
Net cash (outflow)/inflow from investing activities		(240,389)	2,788,803
Cash flows from financing activities			
Proceeds from issuance of ordinary shares upon exercise of share options		3,714	414
Purchase of shares held for Share Award Plan		(219,776)	(375,147)
Interest paid		(3,301)	(4,652)
Dividend paid		(779,318)	(549,099)
Principal elements of lease payments		(34,389)	(55,411)
Net cash outflow from financing activities		(1,033,070)	(983,895)
Net (decrease)/increase in cash and cash equivalents		(1,625,406)	910,100
Cash and cash equivalents at the beginning of year		5,216,379	4,342,528
Effect of exchange rate changes on cash and cash equivalents		13,691	(36,249)
Cash and cash equivalents at the end of year		3,604,664	5,216,379

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Blue Moon Group Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the design, research, development, manufacture and sale of (i) personal hygiene products, (ii) home care products, and (iii) fabric care products in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in the Cayman Islands on 27 December 2007. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ordinary shares of the Company (the “Share”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 December 2020.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“HKCO”).

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

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the financial asset at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVTPL”), which are measured at fair value, as explained in Note 3.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation (continued)

(c) Amendment to the existing standard adopted by the Group

The Group has applied the amendment to HKAS 21 Lack of Exchangeability for the first time for its annual report period commencing 1 January 2025. The amendment did not have any material impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

(d) New standards, amendments to existing standards and interpretation issued not yet adopted

Certain new accounting standards, amendments to existing standards and interpretation have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group, are as follows:

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements (Amendments)	Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Basis of preparation (continued)

(d) New standards, amendments to existing standards and interpretation issued not yet adopted (continued)

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

The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18. The directors of the Group are currently assessing the detailed implications of applying the new standards on the Group's consolidated financial statements.

The directors of the Group will adopt the above new standards, amendments and improvements to existing standards and interpretation when they become effective. Except for the above disclosed impact, the directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments and improvements to existing standards and interpretation, none of which is expected to have a significant effect on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed by the senior management under the Group's financial management policies and practices approved by the Board of Directors of the Company (the "Board") as described below.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) *Market risk*

(i) *Foreign exchange risk*

The Group mainly operates in the PRC and Hong Kong.

The functional currency of the subsidiaries in Hong Kong is HK\$ and the transactions are mostly denominated in HK\$ and United States dollar (“US\$”). For transactions or balances denominated in US\$ which are reasonably stable with the HK\$ under the Linked Exchange Rate System, the directors are of the opinion that the Company and the subsidiaries in Hong Kong do not have significant foreign exchange risk, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. Accordingly, no sensitivity analysis is performed.

Majority of the subsidiaries of the Group are operating in the PRC with most of the transactions and assets denominated in Renminbi (“RMB”). The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

The Group is exposed to foreign exchange risk primarily through financial assets denominated in RMB held by the subsidiaries in Hong Kong and financial assets denominated in HK\$ and US\$ held by the subsidiaries in PRC.

As at 31 December 2025, if RMB had strengthened/weakened by 5% (2024: 5%) against the HK\$ with all other variables held constant, post-tax loss for the year would have been approximately HK\$46,762,000 (2024: HK\$17,803,000) lower/higher respectively, mainly as a result of foreign exchange gains/losses on translation of RMB-denominated cash and bank balances.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) *Market risk (continued)*

(i) *Foreign exchange risk (continued)*

As at 31 December 2025, if US\$ had strengthened/weakened by 5% against the RMB with all other variables held constant, post-tax loss for the year would have been approximately HK\$1,834,000 (2024: HK\$1,615,000) lower/higher respectively, mainly as a result of foreign exchange gains/losses on translation of US\$-denominated cash and bank balances.

(ii) *Interest rate risk*

Except for cash and bank balances (Note 23), the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group did not use any interest swaps to hedge its exposure to interest rate risk.

(iii) *Price risk*

The Group purchases palm oil as one of its major raw materials for its manufacturing process, and is exposed to fluctuation in its market price. The Group does not use any derivative instruments to manage its economic exposure to the change in price of raw materials.

The Group's exposure to price risk stems from its investments in equity securities classified as financial assets at FVTPL and FVOCI in the consolidated statement of financial position. Each investment is managed by management on a case-by-case basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk*

(i) *Risk management*

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Group mainly arises from cash and bank balances deposited in financial institutions, trade and bills receivables, deposits and other receivables (except for prepayments). The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

Substantially all the deposits in banks are held in reputable financial institutions located in Hong Kong and the PRC, which management believes are of high credit quality and management does not expect any losses arising from non-performance by these counterparties, therefore, the expected credit loss for cash and bank balances is minimal. The Group regularly monitor the amount of credit exposure to any financial institutions.

Sales are generally on open account with credit terms of up to 60 days to key account clients, major online e-commerce customers and, on a discretionary basis, certain offline distributors with good credit history during the year ended 31 December 2025. The remaining balances are covered by either (i) letters of credit with bills receivable at sight or (ii) advances receipt. Advances are widely received for sales to majority of offline distributors and individual customers who placed orders through various online e-commerce channels. These receipts from online individual customers are often maintained in payment intermediaries which the Group recognises as other receivables. The Group considers that the credit risk of these payment intermediaries is low and the expected credit losses are immaterial.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk (continued)*

(i) *Risk management (continued)*

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group also has policies on granting different settlement methods to different customers to monitor the credit exposure. Credit checking is normally required from new customers and existing customers with short trading history for settlement purposes. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances. As at 31 December 2025, trade receivables of HK\$1,541,924,000 (2024: HK\$1,063,481,000) were due from companies operating under domestically well-known supermarkets, online platforms and certain distributors in the PRC. Loss allowances of HK\$127,057,000 (2024: HK\$118,541,000) have been provided for such trade receivables as at 31 December 2025.

The Group has concentration of credit risk on top two trade debtors, which are large online e-commerce customers with good credit history, accounted for approximately 44.6% (2024: 46.0%) of its total trade debts balance as at 31 December 2025.

(ii) *Impairment of financial assets*

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents;
- Fixed deposits;
- Trade receivables; and
- Other financial assets at amortised costs



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents and fixed deposits

All bank balances and bank deposits are held at reputable financial institutions with sound credit ratings and there is no significant concentration risk to a single counterparty and there is no history of defaults from these counterparties. The expected credit losses are close to zero as at 31 December 2025 and 2024.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables relating to customers with known financial difficulties or customers with significant long-aged trade receivables balance in proportion to their respective total balance are considered to be subjected to higher risk of default and are tested individually.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables (continued)

Measurement of expected credit loss on individual basis

Trade receivables with higher risk of default are assessed individually for provision for impairment allowance. Their expected credit loss rates are determined based on their corresponding external default data, repayment and default histories and on-going business relationship with them. The loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. As at 31 December 2025 and 2024, the balance of such individually assessed trade receivables and the loss allowance in respect of these receivables are as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Individually assessed trade receivables	199,690	195,338
Loss allowance	(94,244)	(103,323)

Measurement of expected credit loss on collective basis

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a specific period before each year end date and the corresponding historical credit losses experienced within the periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the overall industry outlook and Gross Domestic Product (“GDP”) of the PRC in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables (continued)

Measurement of expected credit loss on collective basis (continued)

The loss allowance as at 31 December 2025 and 2024 was determined for the remaining trade receivables as follows:

	Key account clients HK\$'000	Offline distributors HK\$'000	Online sales channels HK\$'000
As at 31 December 2025			
Gross carrying amount	66,304	327,584	948,346
Loss allowance	(7,248)	(10,722)	(14,843)
	59,056	316,862	933,503
Expected loss rate	10.9%	3.3%	1.6%
As at 31 December 2024			
Gross carrying amount	86,261	31,061	750,821
Loss allowance	(4,484)	(5,004)	(5,730)
	81,777	26,057	745,091
Expected loss rate	5.2%	16.1%	0.8%

Impairment losses on trade receivables are separately presented as "Provision for impairment losses of financial assets" in the consolidated statement of comprehensive income. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of financial difficulties. Subsequent recoveries of amounts previously written off are credited against the same line item.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk (continued)*

(ii) *Impairment of financial assets (continued)*

Other financial assets at amortised cost

Other financial assets at amortised cost include bank's acceptance bills, refundable deposits and other receivables (excluding prepayments), they are considered to be of low credit risk primarily because historically they had no history of default and the debtors had a strong capacity to meet its contractual cash flow obligations in the near term. The Group considers credit risk of these financial assets is low and expected credit losses are immaterial.

(c) *Liquidity risk*

The Group's primary cash requirements have been used on payments for additions and upgrades of property, plant and equipment, related raw material purchases, lease liabilities and corresponding finance costs and operating expenses. The Group finances its working capital requirements through a combination of funds generated from operations and takes into account all available information on future business environment of the countries in which the Group, its customers and suppliers operate.

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through adequate amount of committed credit facilities to meet its working capital requirements.

At the reporting date, the Group held cash and cash equivalents of approximately HK\$3,604,664,000 (2024: HK\$5,216,379,000) (Note 23), short-term deposits with maturities more than 3 months of approximately HK\$111,557,000 (2024: HK\$54,095,000) (Note 23) and trade and bills receivables of approximately HK\$1,655,644,000 (2024: HK\$1,208,123,000) (Note 21) that are expected to generate cash inflows for managing liquidity risk.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) *Liquidity risk (continued)*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or within 1 Year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
As at 31 December 2025					
Trade payables	742,106	–	–	–	742,106
Accruals and other payables	487,123	–	–	–	487,123
Amounts due to a related company	412	–	–	–	412
Lease liabilities	40,354	37,566	10,804	–	88,724
	1,269,995	37,566	10,804	–	1,318,365
As at 31 December 2024					
Trade payables	659,681	–	–	–	659,681
Accruals and other payables	404,968	–	–	–	404,968
Amounts due to a related company	447	–	–	–	447
Lease liabilities	36,029	33,703	35,943	–	105,675
	1,101,125	33,703	35,943	–	1,170,771

3.2 Capital risk management

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

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, issue new shares or obtain funding through adequate amount of committed credit facilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.3 Fair value estimation

Financial assets and liabilities

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

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

The following table presents the Group's financial assets that are measured at fair values at 31 December 2025 and 2024:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2025				
Financial asset at FVOCI				
– unlisted equity investment	–	–	8,477	8,477
Financial asset at FVTPL				
– equity securities listed in PRC	1,303	–	–	1,303
At 31 December 2024				
Financial asset at FVOCI				
– unlisted equity investment	–	–	9,281	9,281

There was no transfer between levels 1, 2 and 3 for recurring fair value during the year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

Financial assets and liabilities (continued)

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the changes in level 3 instruments at 31 December 2025 and 2024:

	2025 HK\$'000	2024 HK\$'000
Financial asset at FVOCI –unlisted equity investment		
At 1 January	9,281	9,796
Fair value change	(1,026)	(308)
Exchange differences	222	(207)
At 31 December	8,477	9,281



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

Financial assets and liabilities (continued)

Financial instruments in level 3 (continued)

The significant unobservable input to the valuation of financial asset at FVOCI as at 31 December 2025 is revenue of the investee (31 December 2024: Same). The specific valuation techniques used to value financial asset at FVOCI is market approach, which is based on enterprise value to sales and price-to-book multiples of comparable companies in the market.

The carrying amounts of the Group's financial assets and financial liabilities measured at amortised cost approximate their fair values.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

The impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used and the impact of changes to these assumptions are disclosed in Note 3.1(b).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 Critical accounting estimates and judgements (continued)

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. Management reassesses the estimation at the end of each reporting period. They carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items through their estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions.

(c) Estimated useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets, respectively. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature. The management will increase the depreciation and amortisation where useful lives are less than previously estimated lives. Periodic review could result in a change in useful lives and therefore depreciation and amortisation expense in the future periods.

(d) Current and deferred income tax

The Group is subject to income taxes in the PRC and Hong Kong. Judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”).

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the manufacturing, selling and distribution of cleaning products, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8. No separate segmental analysis is presented in the consolidated financial statements.

(a) Revenue from external customers

The Group’s sales comprised mainly cash sales and credit sales to online sales channels (primarily e-commerce platforms), end-customers via online stores, offline distributors and key account clients (primarily hypermarkets and supermarkets).

Revenue from the sales of goods recognised is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised at a point in time:		
Fabric care products	7,401,256	7,627,243
Personal hygiene products	577,993	512,405
Home care products	429,662	415,953
	8,408,911	8,555,601



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (continued)

(a) Revenue from external customers (continued)

Revenue from external parties contributing 10% or more of the total revenue of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	937,136	743,697*

* Revenue from this customer did not exceed 10% of the total revenue for the year ended 31 December 2024. The amount is shown for comparative purpose.

All of the Group's revenue was generated from customers in the PRC for the year ended 31 December 2025 and 2024, accordingly, no revenue by geographical location is presented.

(b) Non-current assets

An analysis of the Group's non-current assets excluding deferred income tax assets, by geographical locations, is as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	22,298	28,121
Mainland China	1,942,827	1,917,240
	1,965,125	1,945,361

(c) Liabilities related to contract with customers

The Group has recognised the following liabilities related to contract with customers:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities related to sales of goods	37,014	40,743

Contract liabilities of the Group mainly represent the advanced payments received from customers by the Group while the underlying goods are yet to be delivered.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (continued)

(d) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised for the year relates to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance related to sales of goods at the beginning of the year	40,473	26,061

There was no revenue recognised during the year from performance obligations satisfied in the previous year (2024: Nil).

Amount of transaction price from unsatisfied performance obligation as at 31 December 2025 was equivalent to the contract liabilities as at 31 December 2025 (2024: Same). Management expects 100% of the contract liabilities balance as at 31 December 2025 will be recognised as revenue in the next year (approximately HK\$37,014,000). The balance mainly represents receipts in advance from offline distributors.

(e) Accounting policies for revenue recognition

Sales of goods

Revenue from the sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue and segment information (continued)

(e) Accounting policies for revenue recognition (continued)

Sales of goods (continued)

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated returns and volume rebates (if any). Accumulated experience is used to estimate and provide for the returns and rebates, using the expected value method, based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected returns and volume rebates payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms that are consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the payments exceed the products delivered, a contract liability is recognised. A contract liability is the obligation to transfer goods to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 Other income and other gains/(losses), net

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange gains/(losses)	50,781	(57,234)
Fair value loss on financial assets at FVTPL	(215)	–
Government grants (Note)	6,800	11,351
Scrap sales	(15,929)	(1,707)
Compensation income	9,558	6,581
Sundry income	9,868	11,501
	60,863	(29,508)

Note:

Various government grants have been received from the local government authorities for subsidising the operating activities, research and development activities, and acquisition of fixed assets. The government grants represent the amortisation of deferred government grant of HK\$1,330,000 (2024: HK\$1,327,000) (Note 27) and operating subsidies of approximately HK\$5,470,000 (2024: HK\$10,024,000) for the year ended 31 December 2025. Management does not consider that there were any significant unfulfilled conditions or other contingencies attached to these operating subsidies.

Deferral and presentation of government grants

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

Government grants that compensate the Group for the cost of an asset are included in non-current liabilities as deferred income and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Expenses by nature

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold	3,047,375	3,020,885
Promotion expenses	2,286,825	2,597,637
Employee benefits expense (Note 8)	1,775,943	1,896,625
Transportation expenses	638,690	771,215
Advertising expenses	481,352	569,439
Depreciation of property, plant and equipment (Note 16)	147,683	146,920
Travelling expenses	61,295	58,794
Other tax expenses	61,207	101,684
Depreciation of right-of-use assets (Note 17)	41,811	65,153
Rental expenses related to short-term leases (Note 17)	39,539	23,652
Utility expenses	34,646	37,733
Consulting fee	21,323	18,701
Amortisation of intangible assets (Note 15)	20,176	22,683
Donation	15,244	25,901
Maintenance expenses	14,487	17,594
Motor expenses	13,656	15,502
Manufacturing overheads (excluding depreciation)	13,616	14,695
Property management fee	9,859	11,967
Telecommunication expenses	9,196	9,617
Consumables	8,410	9,176
Office expenses	5,649	6,231
Auditor's remuneration		
– Audit services	3,560	3,480
– Non-audit services	1,102	2,107
Recruitment fee	2,800	3,284
Training expenses	446	2,025
Provision for impairment on property, plant and equipment (Note 16)	305	3,923
Others	61,243	67,307
	8,817,438	9,523,930



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Employee benefits expense

(a) Employee benefits expense (including directors' emoluments)

	2025 HK\$'000	2024 HK\$'000
Wages, salaries and allowances	1,001,285	1,112,857
Bonuses and commission	383,334	422,110
Contributions to social security plans	272,677	255,861
Other benefits	41,298	42,999
Share-based compensation expense	77,349	62,798
	1,775,943	1,896,625

All local employees of the subsidiaries in the PRC participate in mandatory employee social security plans pursuant to the regulations enacted in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the government authorities. Apart from welfare benefits provided by these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on a percentage of the monthly compensation of employees, subject to certain ceilings, and are paid to the respective tax authorities. Contributions to these plans are expensed as incurred.

The Group's Hong Kong subsidiaries' contributions to the Mandatory Provident Fund Scheme ("MPF scheme") in Hong Kong are expensed as incurred. Both the employers and employees in Hong Kong are required to contribute 5% of each individual's relevant income with a maximum amount of HK\$1,500 per month as a mandatory contribution. The assets of the scheme are held separately from those of the Group and managed by independent professional fund managers.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Employee benefits expense (continued)

(a) Employee benefits expense (including directors' emoluments) (continued)

During the year ended 31 December 2025, the Group has no forfeited contributions under the MPF Scheme and scheme in PRC utilised to reduce the existing levels of contributions. (2024: Same) As at 31 December 2025, there was no forfeited contribution which may be used by the Group to reduce the contribution payable in the future years (2024: Same).

Employee benefits expense has been charged to the consolidated statement of comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Cost of sales	221,681	226,219
Selling and distribution expenses	957,478	1,015,800
General and administrative expenses	596,784	654,606
	1,775,943	1,896,625

(b) Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group consist of 4 (2024: 3) directors respectively, the employee benefits expenses in relation to the remaining 1 (2024: 2) highest paid individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, allowances and other employee welfares	5,380	8,777
Discretionary bonuses	–	1,310
Employer's contribution to defined contribution plan	205	393
Share-based compensation expense	12,794	11,446
	18,379	21,926



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Employee benefits expense (continued)

(b) Five highest paid individuals (continued)

The emoluments of the above individuals fell within the following bands for the year ended 31 December 2025 and 2024:

	2025	2024
HK\$5,000,001 – HK\$5,500,000	–	1
HK\$16,500,001 – HK\$17,000,000	–	1
HK\$18,000,001 – HK\$18,500,000	1	–
	1	2

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the year (2024: Nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)(b)

The emoluments of individual directors and chief executive of the Company for the year are set out as below:

For the year ended 31 December 2025	Fee HK\$'000	Basic	Discretionary	Share-based	Employer's	Total HK\$'000
		salaries and allowances HK\$'000	bonuses HK\$'000	compensation expense HK\$'000	contribution to a retirement benefit scheme HK\$'000	
Executive directors and the chief executive						
Ms. PAN Dong	600	–	–	–	18	618
Mr. LUO Qiuping (Note (i))	500	7,480	–	–	18	7,998
Ms. LUO Dong	500	7,348	3,281	36,617 ^(Note ii)	222	47,968
Mr. POON Kwok Leung	500	3,600	–	3,075 ^(Note iii)	18	7,193
Ms. XIAO Haishan	550	2,383	–	3,086 ^(Note iv)	133	6,152
Independent non-executive directors						
Mr. Bruno Robert MERCIER	650	–	–	–	–	650
Ms. NGAN Edith Manling	650	–	–	–	–	650
Mr. HU Yebi	650	–	–	–	–	650
	4,600	20,811	3,281	42,778	409	71,879



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)(b) (continued)

For the year ended 31 December 2024	Fee HK\$'000	Basic salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Share-based compensation expense HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
Executive directors and the chief executive						
Ms. PAN Dong	600	–	–	–	18	618
Mr. LUO Qiuping (Note (i))	500	7,467	–	–	18	7,985
Ms. LUO Dong	500	7,261	–	28,837 ^(Note ii)	220	36,818
Mr. POON Kwok Leung	500	3,600	–	2,759 ^(Note iii)	18	6,877
Ms. XIAO Haishan	550	2,283	–	2,240 ^(Note iv)	120	5,193
Independent non-executive directors						
Mr. Bruno Robert MERCIER	650	–	–	–	–	650
Ms. NGAN Edith Manling	650	–	–	–	–	650
Mr. HU Yebi	650	–	–	–	–	650
	4,600	20,611	–	33,836	394	59,441

Notes:

- (i) Mr. LUO Qiuping, a director of the Company, is also the Chief Executive Officer of the Company.
- (ii) The share-based compensation expense of HK\$36,617,000 (2024: HK\$28,837,000) primarily represents the grant of 58,600,000 share awards to Ms. LUO Dong under the 2022 Share Award Plan for the year ended 31 December 2025. The expenses related to this grant will be recognised progressively over the vesting period up to 2033.
- (iii) The share-based compensation expense of HK\$3,075,000 (2024: HK\$2,759,000) primarily represents the grant of 7,000,000 share awards to Mr. POON Kwok Leung under the 2022 Share Award Plan for the year ended 31 December 2025. The expenses related to this grant will be recognised progressively over the vesting period up to 2034.
- (iv) The share-based compensation expense of HK\$3,086,000 (2024: HK\$2,240,000) primarily represents the grant of 6,000,000 share awards to Ms. XIAO Haishan under the 2022 Share Award Plan for the year ended 31 December 2025. The expenses related to this grant will be recognised progressively over the vesting period up to 2034.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)(b) (continued)

No emoluments were paid by the Group to any of the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2024: Nil).

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

No emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable as at 31 December 2025 (2024: Nil). No consideration was provided to or received by third parties for making available directors' services during the year (2024: Nil).

There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities during the year (2024: Nil).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

10 Finance income, net

	2025 HK\$'000	2024 HK\$'000
Finance income		
– Interest income on bank deposits	121,774	223,808
Finance costs		
– Interest expenses on lease liabilities	(3,301)	(4,652)
Finance income, net	118,473	219,156



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Income tax expense/(credit)

The amount of income tax charged/(credited) to the consolidated profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– PRC corporate income tax	74,454	118,215
– Under-provision in prior years	1,381	8,597
Deferred income tax expense/(credit) (Note 28)	16,508	(162,508)
Income tax expense/(credit)	92,343	(35,696)

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have no assessable profit arising in or deriving from Hong Kong during the year ended 31 December 2025 (2024: Nil).

(b) PRC corporate income tax (“CIT”)

Current income tax expense primarily represents the provision for CIT for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements in accordance with the relevant tax laws and regulations in the PRC.

Blue Moon (Chongqing) Co., Ltd. has been qualified as a Western Region Encouragement Industrial Enterprise and has enjoyed a preferential income tax rate of 15% since 2017 until 2030.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Income tax expense/(credit) (continued)

(c) Numerical reconciliation of income tax expense/(credit) to prima facie tax payable

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the Group for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax	(236,590)	(785,008)
Expected tax calculated at the weighted average applicable tax rate	(87,235)	(227,779)
Expenses not deductible for tax purposes	2,085	7,184
Income not subject to tax	(21,813)	(28,734)
Effect of super-deduction for research and development expenses	(9,431)	(8,455)
Deductible temporary differences for which no deferred tax assets were recognised	121,980	176,987
Derecognition of a deferred tax asset arising from deductible temporary difference	49,616	–
Recognition of previously unrecognised tax losses	(1,264)	(143)
Withholding tax on unremitted earnings	37,024	36,647
Under-provision in prior years	1,381	8,597
Income tax expense/(credit)	92,343	(35,696)

Note:

For the year ended 31 December 2025, the weighted average applicable tax rate of the Group increased to 39% (2024: 5%) which mainly resulted from revised utilisation plan of deductible temporary differences.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Income tax expense/(credit) (continued)

(d) Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the international tax reform, governments are expected to implement a new global minimum tax framework on multinational enterprises. Hong Kong has enacted legislation implementing Pillar Two for fiscal years beginning on or after 1 January 2025. However, as the Group’s estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management’s best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

12 Dividends

	2025 HK\$'000	2024 HK\$'000
Interim dividend paid of HK8.0 cents per share (2024: interim dividend paid of HK4.0 cents per share)	446,772	219,972
Proposed final dividend of HK10.0 cents per share (2024: final dividend of HK6.0 cents per share)	557,573	332,546
	1,004,345	552,518

An interim dividend of HK8.0 cents per share (2024: interim dividend of HK4.0 cents per share) was paid to shareholders whose names appeared on the Register of Members of the Company on 22 September 2025.

A final dividend in respect of the year ended 31 December 2024 of HK6.0 cents per share was proposed by the Board on 25 March 2025 and was approved by the shareholders of the Company (the “Shareholders”) in the annual general meeting held on 6 June 2025.

A final dividend in respect of the year ended 31 December 2025 of HK10.0 cents per share was proposed by the Board on 26 March 2026 and to be approved by the shareholders in the forthcoming annual general meeting. This proposed final dividend, amounting to HK\$557,573,000, has not been recognised as a liability in the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 Loss per share

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company of HK\$328,933,000 (2024: HK\$749,312,000) by the weighted average number of ordinary shares in issue, less shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the year of 5,281,134,000 shares (2024: 5,453,865,000 shares).

	2025	2024
Loss attributable to equity holders of the Company used in calculating basic and diluted loss per share (HK\$'000)	(328,933)	(749,312)
Weighted average number of ordinary shares in issue less shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the year ('000)	5,281,134	5,453,865
Basic loss per share (HK cent per share)	(6.23)	(13.74)

Diluted

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has two categories of potential ordinary shares: share options and shares held under the 2021 Share Award Plan and the 2022 Share Award Plan during the year.

All shares granted under the Share Award Plan are not included in the calculation of diluted loss per share for the year ended 31 December 2025 because they are anti-dilutive (2024: Same). These shares could be potentially dilutive in future.

The basic and diluted loss per share for the year ended 31 December 2025 are the same because there are no dilutive potential ordinary shares (2024: Same).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Subsidiaries

The following is a full list of subsidiaries held by the Company as at 31 December 2025 and 2024:

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities/ place of principal activities	Particulars of issued share capital	Ownership interest held by the Group	
				2025	2024
<i>Directly held:</i>					
Blue Moon (BVI) Limited	British Virgin Islands, limited liability company	Investment holding, Hong Kong	HK\$10,000	100%	100%
<i>Indirectly held:</i>					
Blue Moon Group Limited (藍月亮國際集團有限公司)	Hong Kong, limited liability company	Investment holding, Hong Kong	HK\$427,488,000	100%	100%
Blue Moon (Hong Kong) Trading Limited (藍月亮(香港)貿易有限公司)	Hong Kong, limited liability company	Trading of household care products, Hong Kong	HK\$1	100%	100%
Guangzhou Blue Moon Industrial Co., Ltd.# (廣州藍月亮實業有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$36,000,000	100%	100%
Blue Moon (Tianjin) Co., Ltd.# (藍月亮(天津)有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$70,000,000	100%	100%
Blue Moon (China) Co., Ltd.# (藍月亮(中國)有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$170,001,000	100%	100%
Blue Moon (Kunshan) Industrial Co., Ltd.# (藍月亮(昆山)實業有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$85,000,000	100%	100%
Villa La Luna Group Ltd. (月亮小屋國際集團有限公司)	Hong Kong, limited liability company	Investment holding, Hong Kong	HK\$10,000	100%	100%
Xingshuo (Guangzhou) Industrial Co., Ltd.** (星朔(廣州)實業有限公司)	The PRC, limited liability company	Biotechnology development services and production, the PRC	US\$1,250,000	100%	100%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Subsidiaries (continued)

The following is a full list of subsidiaries held by the Company as at 31 December 2025 and 2024 (continued):

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities/ place of principal activities	Particulars of issued share capital	Ownership interest held by the Group	
				2025	2024
<i>Indirectly held (continued):</i>					
Blue Moon (Chongqing) Co., Ltd. [#] (藍月亮(重慶)有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$100,000,000	100%	100%
Blue Moon (Guangzhou) Co., Ltd. [#] (藍月亮(廣州)有限公司)	The PRC, limited liability company	Design, research, development and manufacturing of cleaning products, the PRC	US\$84,000,000	100%	100%
Villa La Luna (China) Co., Ltd. ^{**} (月亮小屋(中國)有限公司)	The PRC, limited liability company	Laundry services, the PRC	US\$100,000,000	100%	100%
Blue Moon (Guangzhou) Washing Technology Co., Ltd.* (藍月亮(廣州)洗滌科技有限公司)	The PRC, limited liability company	Laundry technology and service, the PRC	RMB10,000,000	100%	100%
Moon House (Shenzhen) Data Technology Co., Ltd. [#] (月亮小屋(深圳)數據技術有限公司)	The PRC, limited liability company	Data technology and service, the PRC	HK\$10,000,000	100%	100%
Moon House (Guangzhou) Cleaning Service Co. Ltd.* (月亮小屋(廣州)清潔服務有限公司)	The PRC, limited liability company	Washing services, the PRC	RMB160,000,000	100%	100%
Moon House Digital Technology Co. Ltd. [#] (月亮小屋科技有限公司)	The PRC, limited liability company	Data technology and service, the PRC	RMB10,000,000	100%	100%
Moon House (Chengdu) Digital Technology Co., Ltd. [#] (月亮小屋(成都)科技有限公司)	The PRC, limited liability company	Data technology and service, the PRC	US\$8,000,000	100%	100%

[#] Registered as wholly foreign owned enterprises under PRC law

* English translation is for identification purpose only



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Intangible assets

	Trademarks and patents HK\$'000	Computer software and development cost HK\$'000	Computer system under development HK\$'000	Total HK\$'000
As at 1 January 2024				
Cost	42,827	290,225	36,809	369,861
Accumulated amortisation	(41,445)	(213,574)	–	(255,019)
Net book amount	1,382	76,651	36,809	114,842
Year ended 31 December 2024				
Opening net book amount	1,382	76,651	36,809	114,842
Additions	1,506	18,392	–	19,898
Transfer	–	2,952	(2,952)	–
Amortisation	(413)	(22,270)	–	(22,683)
Exchange differences	(41)	(1,630)	(756)	(2,427)
Closing net book amount	2,434	74,095	33,101	109,630
As at 31 December 2024 and 1 January 2025				
Cost	43,400	305,129	33,101	381,630
Accumulated amortisation	(40,966)	(231,034)	–	(272,000)
Net book amount	2,434	74,095	33,101	109,630
Year ended 31 December 2025				
Opening net book amount	2,434	74,095	33,101	109,630
Additions	263	2,722	–	2,985
Transfer	–	2,435	(2,435)	–
Amortisation	(421)	(19,755)	–	(20,176)
Exchange differences	33	1,116	448	1,597
Closing net book amount	2,309	60,613	31,114	94,036
As at 31 December 2025				
Cost	44,209	314,077	31,114	389,400
Accumulated amortisation	(41,900)	(253,464)	–	(295,364)
Net book amount	2,309	60,613	31,114	94,036



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Intangible assets (continued)

(i) Amortisation methods and useful lives

Trademarks and patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and patents over their estimated useful lives of 10 years (i.e., the license period).

Computer systems under development are transferred to computer software upon the completion of the respective development, and amortisation will commence accordingly over their estimated useful lives of 5 to 10 years based on management's expectation on the technological lives of the systems, on a straight-line basis.

Amortisation charges of intangible assets were included in general and administrative expenses and selling and distribution expenses (2024: Same).

(ii) Computer software and system

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Intangible assets (continued)

(ii) Computer software and system (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iii) Impairment tests for intangible assets

The Group's computer system under development as at 31 December 2025 represented operating systems and software developed for the Group's internal use to support the Group's daily operations. Such intangible assets, upon completion, cannot generate cash inflows independently, and are considered as "Corporate assets" in accordance with "HKAS36 – Impairment assets". Accordingly, in the impairment testing of such intangible assets not yet available for use, the related carrying amounts are allocated to the related cash generating unit (i.e., the Group's financial performance as a whole) and has been assessed annually on a consistent basis as at 31 December 2025.

No impairment loss for the computer system under development has been made for the year ended 31 December 2025 (2024: Nil).

See Note 35.4 and Note 35.5 for the other accounting policies relevant to intangible assets.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Property, plant and equipment

	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction- in-progress HK\$'000	Total HK\$'000
As at 1 January 2025							
Cost	1,184,902	78,995	810,674	209,175	25,989	61,583	2,371,318
Accumulated depreciation and impairment	(241,458)	(30,211)	(545,623)	(133,988)	(17,073)	–	(968,353)
Net book amount	943,444	48,784	265,051	75,187	8,916	61,583	1,402,965
Year ended 31 December 2025							
Opening net book amount	943,444	48,784	265,051	75,187	8,916	61,583	1,402,965
Additions	4,605	19,914	4,805	27,295	240	106,980	163,839
Disposals	(19,041)	(1,833)	(4,625)	(233)	(388)	–	(26,120)
Transfer	4,892	–	61,430	2,442	–	(68,764)	–
Depreciation	(31,143)	(18,440)	(68,793)	(28,096)	(1,211)	–	(147,683)
Impairment (Note (iii))	–	–	–	(305)	–	–	(305)
Exchange differences	23,326	1,225	6,604	1,915	208	2,032	35,310
Closing net book amount	926,083	49,650	264,472	78,205	7,765	101,831	1,428,006
As at 31 December 2025							
Cost	1,200,257	82,982	884,145	233,844	25,932	101,831	2,528,991
Accumulated depreciation and impairment	(274,174)	(33,332)	(619,673)	(155,639)	(18,167)	–	(1,100,985)
Net book amount	926,083	49,650	264,472	78,205	7,765	101,831	1,428,006



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Property, plant and equipment (continued)

	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction- in-progress HK\$'000	Total HK\$'000
As at 1 January 2024							
Cost	1,180,563	45,572	793,960	207,534	30,963	63,753	2,322,345
Accumulated depreciation	(217,589)	(16,575)	(491,460)	(124,258)	(17,174)	-	(867,056)
Net book amount	962,974	28,997	302,500	83,276	13,789	63,753	1,455,289
Year ended 31 December 2024							
Opening net book amount	962,974	28,997	302,500	83,276	13,789	63,753	1,455,289
Additions	533	34,623	8,409	18,310	516	77,460	139,851
Disposals	(469)	-	(2,844)	(3,628)	(3,491)	-	(10,432)
Transfer	30,978	-	37,849	9,447	-	(78,274)	-
Depreciation	(29,956)	(13,998)	(74,731)	(26,582)	(1,653)	-	(146,920)
Impairment (Note (iii))	-	-	-	(3,923)	-	-	(3,923)
Exchange differences	(20,616)	(838)	(6,132)	(1,713)	(245)	(1,356)	(30,900)
Closing net book amount	943,444	48,784	265,051	75,187	8,916	61,583	1,402,965
As at 31 December 2024							
Cost	1,184,902	78,995	810,674	209,175	25,989	61,583	2,371,318
Accumulated depreciation and impairment	(241,458)	(30,211)	(545,623)	(133,988)	(17,073)	-	(968,353)
Net book amount	943,444	48,784	265,051	75,187	8,916	61,583	1,402,965



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Property, plant and equipment (continued)

Notes:

- (i) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives as follows:

Buildings	20 to 50 years
Leasehold improvements	Shorter of the lease terms or 5 years
Plant and machinery	5 to 20 years
Furniture, fixtures and equipment	3 to 15 years
Motor vehicles	5 to 10 years

See Note 35.3 for the other accounting policies relevant to property, plant and equipment.

- (ii) Amounts recognised in the consolidated statement of comprehensive income

Depreciation expenses have been charged to the consolidated statement of comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Cost of sales	72,772	70,701
Selling and distribution expenses	66,519	4,848
General and administrative expenses	8,392	71,371
	147,683	146,920

- (iii) Impairment tests for property, plant and equipment

After taking into account the expected operating environment and market conditions, management considered that the cash flows generated from the property, plant and equipment in certain entities over their remaining useful lives were lower than their respective carrying amounts. As a result, a provision for impairment on property, plants and equipment of HK\$305,000 (2024: HK\$3,923,000) was recognised during the year ended 31 December 2025.

The Group tests whether the property, plant and equipment are subject to any impairment, in accordance with the accounting policies set out in Note 35.5 of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 Leases (continued)

(iii) The Group's leasing activities and how these are accounted for

Land use rights represent the prepaid operating lease payments of the Group's interests in land use rights located in the PRC, which are held on leases within 50 years. As at 31 December 2025, no land use rights was pledged to banks to secure certain bank facilities (31 December 2024: Nil).

Leased properties of the Group represent mainly offices, factory for cleaning service and training venues for sales personnel. The Group obtains right to control the use of these offices and training venues for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 2 to 6 years.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any). The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

See Note 35.15 for the other accounting policies relevant to leases.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Financial asset at fair value through other comprehensive income

	HK\$'000
Unlisted equity investment	
At 1 January 2024	9,796
Fair value change	(308)
Exchange differences	(207)
At 31 December 2024 and 1 January 2025	9,281
Fair value change	(1,026)
Exchange differences	222
At 31 December 2025	8,477

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

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

As at 31 December 2025, financial asset at FVOCI comprises of equity interest not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. This is a strategic investment and the Group considers this classification to be more relevant. The fair value of the financial asset at FVOCI was measured at level 3 of fair value hierarchy (Note 3.3).

19 Financial asset at fair value through profit or loss

	HK\$'000
Equity securities listed in PRC	
At 1 January 2025	–
Addition	1,487
Fair value change	(215)
Exchange differences	31
At 31 December 2025	1,303

For information about the methods and assumptions used in determining fair value, please refer to Note 3.3.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Inventories

	2025 HK\$'000	2024 HK\$'000
Raw materials	164,937	161,089
Work in progress	1,983	2,574
Finished goods	353,831	323,916
	520,751	487,579

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the applicable selling expenses.

The cost of inventories recognised as cost of sales amounted to approximately HK\$3,047,375,000 (2024: HK\$3,020,885,000) (Note 7) for the year. During the year ended 31 December 2025, the Group did not recognise any further provision for, or reversal of, inventory (2024: a reversal of provision of HK\$9,019,000), which was included in cost of sales in the consolidated statement of comprehensive income.

21 Trade and bills receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	1,541,924	1,063,481
Bills receivables	240,777	263,183
Trade and bills receivables	1,782,701	1,326,664
Less: Loss allowance	(127,057)	(118,541)
Trade and bills receivables, net	1,655,644	1,208,123



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Trade and bills receivables (continued)

(i) Classification

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for further information about the Group's accounting for trade receivables and a description of the Group's impairment policies.

As at 31 December 2025, the carrying amounts of the Group's trade and bills receivables were denominated in RMB and approximated their fair values (2024: Same).

Bills receivables are with average maturity dates of less than six months (2024: Same).

(ii) Impairment and risk exposure

The Group seeks to maintain strict control over its outstanding receivables and has imposed tightened control to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

The Group generally allows a credit period of up to 60 days to its key account clients and major online e-commerce customers, as well as certain offline distributors with good credit history on a discretionary basis.

During the year ended 31 December 2025, sales to offline distributors are generally covered by advances received from customers or letters of credit with bills payable at sight (2024: Same).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Trade and bills receivables (continued)

(ii) Impairment and risk exposure (continued)

The Group has concentration of credit risk on two trade debtors, which are large online e-commerce customers with good credit history, accounted for 44.6% (2024: 46.0%) of its total trade debts balance as at 31 December 2025.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. Information about the Group's exposure to credit risk and the impairment of trade receivables can be found in Note 3.1(b).

The movement of provision for impairment of trade and bills receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	118,541	175,484
Provision for impairment charged to consolidated statement of comprehensive income	7,399	6,327
Written-off as uncollectible	(1,945)	(60,097)
Exchange differences	3,062	(3,173)
As at 31 December	127,057	118,541

The creation of provision for impairment of trade and bills receivables has been included in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering the amount.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Trade and bills receivables (continued)

(iii) Aging analysis

The aging analysis of trade and bills receivables as at the year-end date, based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	1,224,043	853,491
31 – 60 days	241,403	190,297
61 – 180 days	171,940	159,609
Over 180 days	145,315	123,267
	1,782,701	1,326,664

22 Prepayments, deposits and other receivables

	2025 HK\$'000	2024 HK\$'000
Non-current		
Prepayments for acquisition of property, plant and equipment	61,038	35,673
Current		
Prepayments for advertising and promotion expenses	234,261	188,825
Prepayments for raw materials and transportation	14,184	12,247
Other deposits and prepayments	116,860	60,581
Value-added-tax (“VAT”) recoverable	367,736	431,317
Advances to staff	1,039	1,190
Receivables from payment intermediaries (Note)	71,896	81,039
Others	70,851	29,501
	876,827	804,700
Total	937,865	840,373

Note:

Receivables from payment intermediaries represent the sales mainly received by Alipay on behalf of the Group for online platform sales.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 Prepayments, deposits and other receivables (continued)

Note: (continued)

The Group applies the HKFRS 9 general approach to measuring expected credit losses which uses a twelve-month expected loss allowance for all deposits and other receivables. Information about the Group's exposure to credit risk and the impairment of deposits and other receivables can be found in Note 3.1(b).

Denominated in:	2025 HK\$'000	2024 HK\$'000
RMB	935,836	838,073
HK\$	2,029	2,300
	937,865	840,373

23 Cash and bank balances

	2025 HK\$'000	2024 HK\$'000
Cash at banks	667,578	1,716,996
Cash on hand	11	11
Short-term deposits with maturities less than three months	2,937,075	3,499,372
Cash and cash equivalents	3,604,664	5,216,379
Short-term deposits with maturities over three months	111,557	54,095
Total cash and bank balances	3,716,221	5,270,474
Maximum exposure to credit risk	3,716,210	5,270,463

The effective interest rates on short-term deposits with maturities less than three months were 2.81% per annum as at 31 December 2025 (2024: 4.33%).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Cash and bank balances (continued)

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
US\$	1,727,520	2,664,340
HK\$	69,527	138,600
RMB	1,804,888	2,411,068
Others	2,729	2,371
	3,604,664	5,216,379

At 31 December 2025 and 2024, the Group's short-term deposits with maturities over three months are placed with authorised financial institutions in Hong Kong with maturities as follows:

	2025 HK\$'000	2024 HK\$'000
Less than one year	111,557	54,095

The fixed deposits are denominated in currencies as below:

	2025 HK\$'000	2024 HK\$'000
RMB	111,557	54,095

The effective interest rates on short-term deposits with maturities over three months were 1.70% per annum as at 31 December 2025 (2024: 1.25% per annum).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Share capital

	Number of shares	Share capital HK\$'000
Authorised ordinary shares of HK\$0.01 each:		
At 1 January and 31 December 2024, and 1 January and 31 December 2025	10,000,000,000	100,000
Ordinary shares of HK\$0.01 each, issued and fully paid:		
At 1 January 2024	5,862,993,406	58,630
Issuance of ordinary shares upon exercise of share options (Note)	110,000	1
At 31 December 2024 and 1 January 2025	5,863,103,406	58,631
Issuance of ordinary shares upon exercise of share options (Note)	987,850	10
At 31 December 2025	5,864,091,256	58,641

Note:

For the year ended 31 December 2025, 987,850 (2024: 110,000) share options were exercised at weighted average exercise price of HK\$3.76 (2024: HK\$3.76) per share, resulting in the issuance of 987,850 (2024: 110,000) additional ordinary shares of the Company and additional share capital and share premium of approximately HK\$10,000 (2024: HK\$1,000) and HK\$3,704,000 (2024: HK\$413,000) respectively.

25 Share option scheme and share award plan

The Group operates three equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options or awarded shares) of the Company. These plans comprise a share option scheme and two share award plans. The fair value of the employee services received in exchange for the grant of the options or the awarded shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or awarded shares granted:

- (i) including any market performance conditions (for example, an entity's share price);
- (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- (iii) including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

Non-market performance and service conditions are included in assumptions about the number of options or awarded shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options or awarded shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

See Note 35.12 for the other accounting policies relevant to share-based compensation.

(a) Share option scheme

The Company adopted the Pre-Initial Public Offering Share Option Scheme (“Pre-IPO Share Option Scheme”) on 23 September 2020 for the purpose of encouraging certain key employees to contribute to the Group for long-term benefits of the Company and the shareholders as a whole and provide the Group with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to its key employees.

The Board may determine any directors, employees of any member of the Group or business associates, who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, to take up options to subscribe for shares of the Company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(a) Share option scheme (continued)

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted under the Pre-IPO Share Option Scheme shall not exceed the lower of (i) 100,000,000 Shares, and (ii) 1.5% of the issued share capital of the Company immediately following completion of the initial public offering and the capitalisation issue.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (including the satisfaction of certain performance targets and/or the attainment or performance of milestones by any member of the Group, the grantee or any group of participants) as determined by our Board at its sole and absolute discretion.

The exercise price in relation to each option granted under the Pre-IPO Share Option Scheme shall be HK\$3.76, excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of an option, save to the extent that other arrangements have been made for the payment of the exercise price which are satisfactory to the Board.

The Pre-IPO Share Option Scheme shall be valid and effective for the period of time commencing on the adoption date thereof and expiring on the day immediately after the date which is ten years after the listing date of the Company, after which period the provisions of the Pre-IPO Share Option Scheme shall in all respects cease to be in any force or effect.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(a) Share option scheme (continued)

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

2025

	Date of grant	Vesting period		At 1 January 2025	Number of share options			At 31 December 2025	Exercise period	Exercise price per share HK\$
		from	to		Granted during the year	Exercised during the year	Forfeited and lapsed during the year			
Directors										
Ms. Luo Dong	23/09/2020	23/09/2020	15/12/2024	4,800,000	-	-	-	4,800,000	10 years from the date of grant	3.76
Mr. Poon Kwok Leung	23/09/2020	23/09/2020	15/12/2024	975,000	-	-	-	975,000	10 years from the date of grant	3.76
Ms. Xiao Haishan	23/09/2020	23/09/2020	15/12/2024	837,500	-	-	-	837,500	10 years from the date of grant	3.76
Other grantees including existing employees and Business Associates of our Group										
In aggregate	23/09/2020	23/09/2020	15/12/2024	38,428,184	-	(987,850)	(1,635,696)	35,804,638	10 years from the date of grant	3.76
				45,040,684	-	(987,850)	(1,635,696)	42,417,138		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(a) Share option scheme (continued)

2024

	Date of grant	Vesting period		At 1 January 2024	Number of share options			At 31 December 2024	Exercise period	Exercise price per share HK\$
		from	to		Granted during the year	Exercised during the year	Forfeited and lapsed during the year			
Directors										
Ms. Luo Dong	23/09/2020	23/09/2020	15/12/2024	4,800,000	-	-	-	4,800,000	10 years from the date of grant	3.76
Mr. Poon Kwok Leung	23/09/2020	23/09/2020	15/12/2024	975,000	-	-	-	975,000	10 years from the date of grant	3.76
Ms. Xiao Haishan	23/09/2020	23/09/2020	15/12/2024	837,500	-	-	-	837,500	10 years from the date of grant	3.76
Other grantees including existing employees and Business Associates of our Group										
In aggregate	23/09/2020	23/09/2020	15/12/2024	41,063,523	-	(110,000)	(2,525,339)	38,428,184	10 years from the date of grant	3.76
				47,676,023	-	(110,000)	(2,525,339)	45,040,684		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(a) Share option scheme (continued)

Movements of outstanding share options under the Pre-IPO Share Option Scheme during the year are as follows:

	Weighted average exercise price HK\$ per share	Remaining contractual life (Year)	Number of options
At the beginning of year	3.76	5.73	45,040,684
Exercised during the year	3.76	–	(987,850)
Forfeited and lapsed during the year	3.76	–	(1,635,696)
At the end of year	3.76	4.73	42,417,138

The related weighted average share price at the time of exercise of the options during the year was HK\$4.11 (2024: HK\$4.00) per share.

As at 31 December 2025, the Company had 42,417,138 (2024: 45,040,684) exercisable share options outstanding under the Pre-IPO Share Option Scheme. Should they be fully exercised, the Company will receive approximately HK\$159,488,000 (2024: HK\$169,353,000) (before issue expenses). The exercise in full of these exercisable share options would, under the present capital structure of the Company, result in the issue of 42,417,138 (2024: 45,040,684) additional ordinary shares of the Company and additional share capital of approximately HK\$424,000 (2024: HK\$450,000) and share premium of approximately HK\$159,064,000 (2024: HK\$168,903,000) (before issue expenses).

Subsequent to 31 December 2025 and at the date of approval of these consolidated financial statements, the Company had 42,417,138 (2024: 44,666,313) share options outstanding under the Pre-IPO Share Option Scheme, which represented approximately 0.7% (2024: 0.8%) of the Company's shares in issue as at that date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan

2021 Share Award Plan

On 3 June 2021, the Board approved the adoption of the 2021 share award plan and subsequently, amendments thereto (together referred to as the “2021 Share Award Plan”) were approved by the Board on 26 March 2024 (the “Amendment Date”).

The purpose of the 2021 Share Award Plan is to recognise and reward the contribution of certain eligible participants (as defined below) to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the further development of the Group.

The following classes of participants (other than any excluded participants) are eligible for participation in the 2021 Share Award Plan:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Group or any entity in which any member of Group holds any equity interest (an “Employee”);
- (b) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any invested entity;
- (c) any other group’s or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and
- (d) any company wholly owned by one or more of the above participants.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2021 Share Award Plan (continued)

As at 31 December 2025, 276,670,999 (31 December 2024: 81,900,999) share awards have been granted to 610 (31 December 2024: 429) employees all of which shall be satisfied by existing Shares. Pursuant to the 2021 Share Award Plan, the Shares to be awarded will be satisfied by:

- (a) existing Shares to be acquired by the trustee on or off the market;
- (b) Shares donated or transferred for nil consideration to the trustee;
- (c) such Shares as may be allotted or issued to the trustee as a holder of Shares whether by way of scrip dividend or otherwise; and
- (d) such returned Shares which remain unvested and revert to the trustee in accordance with the terms of the 2021 Share Award Plan; and
- (e) such Shares which have been vested but subject to lock-up and which are returned to the Share Pool in accordance with the grant notices.

The maximum number of Shares to be purchased by and/or transferred to the trustee under the 2021 Share Award Plan shall not exceed 9.9% of the total number of issued Shares as at the Amendment Date, being 580,436,347 shares (including Share purchased but not yet awarded, and shall not take into account Share vested and transferred to the grantees). The Board shall not instruct the trustee of the 2021 Share Award Plan to subscribe for and/or purchase any Shares for the purpose of the 2021 Share Award Plan when such subscription and/or purchase will result in such threshold being exceeded.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2021 Share Award Plan (continued)

The total number of Shares which may be subject to an award or awards to a selected participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Amendment Date, being 58,629,934 Shares.

Subject to and in accordance with the plan rules relating to the 2021 Share Award Plan, the trustee of the 2021 Share Award Plan shall transfer to and vest in any participant the legal and beneficial ownership of the awarded Shares to which such participant is entitled under the relevant award as soon as practicable after the latest of (a) the vesting date as specified in the relevant award notice; and (b) where applicable, the date on which the condition(s) and/or performance target(s) to be attained or paid by such selected participant as specified in the relevant award notice have been attained or paid and notified to the trustee of the 2021 Share Award Plan by the Board in writing.

The 2021 Share Award Plan shall be valid and effective for a term of 15 years commencing from the 3 June 2021 but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any selected Participant.

During the year, the Group had acquired certain of its own Shares through the trustee of the 2021 Share Award Plan from open market. The cost of acquiring the Shares amounted to approximately HK\$219,776,000 (2024: HK\$375,147,000) and had been deducted from other reserves as at 31 December 2025. The Shares purchased by the Group that are not yet vested for the 2021 Share Award Plan were recorded as treasury shares of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2021 Share Award Plan (continued)

Details of the performance shares awarded under the 2021 Share Award Plan are as follows:

Date of grant	Number of awarded shares	Weighted average fair value per share HK\$	Vesting period
17/09/2021	7,048,000	6.65	17/09/2021 – 17/09/2024
26/09/2021	1,010,000	6.60	26/09/2021 – 17/09/2024
12/05/2022	555,000	6.02	12/05/2022 – 11/04/2025
21/01/2023	1,420,000	5.25	21/01/2023 – 01/03/2026
07/04/2023	1,199,999	5.01	07/04/2023 – 01/04/2027
22/05/2023	760,000	4.46	22/05/2023 – 01/03/2026
12/06/2023	30,000	4.41	12/06/2023 – 01/07/2025
20/09/2023	319,000	2.38	20/09/2023 – 18/10/2027
08/10/2023	8,223,000	2.47	08/10/2023 – 18/10/2029
13/10/2023	100,000	2.67	13/10/2023 – 18/04/2027
27/11/2023	750,000	2.08	27/11/2023 – 18/04/2027
17/04/2024	276,000	1.88	17/04/2024 – 18/04/2027
02/09/2024	36,710,000	1.90	02/09/2024 – 18/10/2058
04/09/2024	23,500,000	1.92	04/09/2024 – 18/10/2045
01/04/2025	3,550,000	3.45	01/04/2025 – 18/10/2061
29/05/2025	127,220,000	3.87	29/05/2025 – 18/10/2059
26/08/2025	32,650,000	3.59	26/08/2025 – 18/10/2060
29/08/2025	21,900,000	3.33	29/08/2025 – 18/10/2056
05/09/2025	8,150,000	3.26	05/09/2025 – 18/10/2056
23/12/2025	1,300,000	2.79	23/12/2025 – 18/10/2047

Notes:

- (a) The weighted average of the awarded shares was based on the closing price per share at the date of grant.
- (b) Vesting of the awarded performance shares is conditional upon the result of comprehensive performance appraisal of the selected participants for the year when the corresponding vesting period is matured.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2021 Share Award Plan (continued)

Movements in number of performance shares awarded under the 2021 Share Award Plan during the year ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
Number of awarded shares:		
As at 1 January	67,548,600	12,267,978
Granted	194,770,000	60,486,000
Vested	(2,003,294)	(3,043,731)
Forfeited and lapsed	(18,150,556)	(2,161,647)
As at 31 December	242,164,750	67,548,600

The weighted average closing price of the Company's shares immediately before the dates on which the shares were vested was HK\$3.40 per share.

Remaining vesting periods of performance shares awarded under the 2021 Share Award Plan as at 31 December are as follows:

	2025		2024	
	Remaining vesting period (Year)	Number of awarded shares outstanding	Remaining vesting period (Year)	Number of awarded shares outstanding
Shares awarded in				
2022	–	–	0.11	10,000
2023	0.05 to 3.80	6,151,550	0.05 to 4.80	8,154,600
2024	0.30 to 32.82	53,443,200	0.30 to 33.82	59,384,000
2025	0.30 to 35.82	182,570,000	N/A	N/A
		242,164,750		67,548,600



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan

On 29 March 2022, the Board approved the adoption of the 2022 share award plan and subsequently, amendments thereto (together referred to as the “2022 Share Award Plan”) were approved by the Board on 26 March 2024 (the “Amendment Date”).

The purpose of the 2022 Share Award Plan is to recognise and reward the contribution of certain eligible participants (as defined below) who are Executive Directors of the Company or directors of the subsidiaries of the Group to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group.

The following classes of participants are eligible for participation in the 2022 Share Award Plan:

- (a) executive directors; and
- (b) directors of any subsidiaries of the Group; and
- (c) any company wholly-owned by an eligible participant or any trust which an eligible participant is the settlor.

The eligibility of any of the eligible participants under the 2022 Share Award Plan to an award shall be determined by the Board from time to time on the basis of the Board’s opinion, subject to performance targets based on the result of comprehensive assessment conducted on the selected participants, their contribution and/or anticipated future contribution to the development and growth of the Group and the grant of an award to eligible participants who are executive directors of the Company shall be approved by members of the Remuneration Committee (other than by himself or herself).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan (continued)

As at 31 December 2025, 119,600,000 (31 December 2024: 119,600,000) share awards have been granted pursuant to the 2022 Share Award Plan. Pursuant to the 2022 Share Award Plan, the shares to be awarded will be satisfied by:

- (a) existing Shares to be acquired by the trustee on or off the market;
- (b) Shares donated or transferred for nil consideration to the trustee;
- (c) Such Shares as may be allotted or issued to the trustee as a holder of Shares whether by way of scrip dividend or in other corporate actions of the Company and such returned Shares; and
- (d) such Shares which have been vested but subject to lock-up and which are returned to the Share Pool in accordance with the grant notices.

The maximum number of Shares which may be awarded under the 2022 Share Award Plan shall not exceed 3% of the total number of issued Shares as at the Amendment Date, being 175,889,802 Shares (excluding Shares awarded but lapsed and not vested), which represent approximately 3% of the issued Shares at the date of this report. The Board shall not instruct the trustee to purchase any Shares for the purpose of the 2022 Share Award Plan when doing so will result in such threshold being exceeded.

The total number of Shares which may be subject to the award to a selected participant shall not in aggregate exceed 1% of the total number of issued Shares as at the Amendment Date, being 58,629,934 Shares.

Subject to and in accordance with the rules relating to the 2022 Share Award Plan, the trustee of the 2022 Share Award Plan shall transfer to and vest in any participant the legal and beneficial ownership of the awarded Shares to which such participant is entitled under the relevant award as soon as practicable after the latest of (a) the vesting date as specified in the relevant award notice; and (b) where applicable, the date on which the condition(s) and/or performance target(s) to be attained or paid by such selected participant as specified in the relevant award notice have been attained or paid and notified to the trustee of the 2022 Share Award Plan by the Board in writing.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan (continued)

The 2022 Share Award Plan shall be valid and effective for a term of 15 years commencing from the 29 March 2022 but may be terminated earlier as determined by the Board, provided that such termination shall not affect any subsisting rights of any selected participant.

During the year ended 31 December 2024, certain shares were donated to the trustee of the 2022 Share Award Plan. The cost of donated Shares amounted to HK\$264,316,000 and had been deducted from other reserves as at 31 December 2024. The Shares donated to the trustee that are not yet vested for the 2022 Share Award Plan were recorded as treasury shares of the Group.

Movements in number of performance shares awarded under the 2022 Share Award Plan during the year:

2025

	Date of grant	Weighted average fair value per share	Vesting period		Number of awarded shares				
					At 1 January 2025	Granted during the year	Vested during the year	Forfeited and lapsed during the year	At 31 December 2025
Directors									
Ms. Luo Dong	20/05/2024	1.94	20/05/2024	18/04/2033	58,600,000	-	(9,500,000)	-	49,100,000
Mr. Poon Kwok Leung	20/05/2024	2.13	20/05/2024	18/10/2034	7,000,000	-	(800,000)	-	6,200,000
Ms. Xiao Haishan	20/05/2024	2.15	20/05/2024	25/04/2031	6,000,000	-	(600,000)	-	5,400,000
Other grantees including existing employees of our Group									
In aggregate	20/05/2024	2.15	20/05/2024	18/10/2034	48,000,000	-	(5,000,000)	-	43,000,000
					119,600,000	-	(15,900,000)	-	103,700,000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan (continued)

2024

	Date of grant	Weighted average fair value per share		Vesting period from to	At 1 January 2024	Number of awarded shares			At 31 December 2024
		per share	from			Granted during the year	Vested during the year	Forfeited and lapsed during the year	
Directors									
Ms. Luo Dong	20/05/2024	1.94	20/05/2024	18/04/2033	-	58,600,000	-	-	58,600,000
Mr. Poon Kwok Leung	20/05/2024	2.13	20/05/2024	18/10/2034	-	7,000,000	-	-	7,000,000
Ms. Xiao Haishan	20/05/2024	2.15	20/05/2024	18/10/2034	-	6,000,000	-	-	6,000,000
Other grantees including existing employees of our Group									
In aggregate	20/05/2024	2.15	20/05/2024	18/10/2034	-	48,000,000	-	-	48,000,000
					-	119,600,000	-	-	119,600,000

Notes:

- (a) The weighted average of the awarded shares was based on the closing price per share at the date of grant.
- (b) Vesting of the awarded performance shares is conditional upon the result of comprehensive performance appraisal of the selected participants for the year when the corresponding vesting period is matured.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan (continued)

Movements in number of performance shares awarded under the 2022 Share Award Plan during the year ended 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
Number of awarded shares:		
As at 1 January	119,600,000	–
Granted	–	119,600,000
Vested	(15,900,000)	–
Forfeited and lapsed	–	–
As at 31 December	103,700,000	119,600,000

The weighted average closing price of the Company's shares immediately before the dates on which the shares were vested was HK\$2.95 per share.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Share option scheme and share award plan (continued)

(b) Share award plan (continued)

2022 Share Award Plan (continued)

Remaining vesting periods of performance shares awarded under the 2022 Share Award Plan as at 31 December are as follows:

	2025		2024	
	Remaining vesting period (Year)	Number of awarded shares outstanding	Remaining vesting period (Year)	Number of awarded shares outstanding
Shares awarded in 2024	0.30 to 8.80	103,700,000	0.30 to 9.80	119,600,000

(c) Share-based compensation

During the year ended 31 December 2025, no share-based compensation expense was recognised in relation to the Pre-IPO Share Option Scheme (2024: HK\$1,740,000), while share-based compensation expenses in relation to the 2021 Share Award Plan and the 2022 Share Award Plan amounted to HK\$13,922,000 (2024: HK\$9,824,000) and HK\$63,427,000 (2024: HK\$51,234,000), respectively. The total amount of HK\$77,349,000 (2024: HK\$62,798,000) was recognised as cost of sales, selling and distribution expenses and general and administrative expenses in the consolidated statement of comprehensive income (Note 8(a)).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Other reserves

	Share premium HK\$'000	Statutory surplus reserves (Note (a)) HK\$'000	Shares held for share award plan HK\$'000	Capital reserve HK\$'000	Share-based payment reserve HK\$'000	Financial asset at fair value through other comprehensive income revaluation reserve HK\$'000	Exchange translation reserve HK\$'000	Total HK\$'000
As at 1 January 2025	11,013,862	629,588	(2,672,344)	264,316	104,034	(5,446)	(622,823)	8,711,187
Issuance of ordinary shares upon exercise of share options (Note 24)	3,704	-	-	-	-	-	-	3,704
Final dividend relating to 2024 (Note 12)	(332,546)	-	-	-	-	-	-	(332,546)
Interim dividend relating to 2025 (Note 12)	(446,772)	-	-	-	-	-	-	(446,772)
Share-based compensation expense (Note 25(c))	-	-	-	-	77,349	-	-	77,349
Release of share-based payment reserve to share premium upon exercise of share options	906	-	-	-	(906)	-	-	-
Transfer to share premium upon lapse of share options	1,506	-	-	-	(1,506)	-	-	-
Purchase of shares held for Share Award Plan (Note 25(b))	-	-	(219,776)	-	-	-	-	(219,776)
Vesting of awarded shares	20,871	-	19,504	-	(40,375)	-	-	-
Transfer to statutory reserve	-	21,306	-	-	-	-	-	21,306
Change in the fair value of financial assets at FVOCI	-	-	-	-	-	(1,026)	-	(1,026)
Exchange difference	-	-	-	-	-	-	100,709	100,709
As at 31 December 2025	10,261,531	650,894	(2,872,616)	264,316	138,596	(6,472)	(522,114)	7,914,135



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Other reserves (continued)

	Share premium HK\$'000	Statutory surplus reserves (Note (a)) HK\$'000	Shares held for share award plan HK\$'000	Capital reserve HK\$'000	Share-based payment reserve HK\$'000	Financial asset at fair value through other comprehensive income revaluation reserve HK\$'000	Exchange translation reserve HK\$'000	Total HK\$'000
As at 1 January 2024	11,017,309	576,066	(2,051,929)	-	56,424	(5,138)	(519,033)	9,073,699
Issuance of ordinary shares upon exercise of share options (Note 24)	413	-	-	-	-	-	-	413
Share-based compensation expense (Note 25(c))	-	-	-	-	62,798	-	-	62,798
Release of share-based payment reserve to share premium upon exercise of share options	100	-	-	-	(100)	-	-	-
Transfer to share premium upon lapse of share options	1,292	-	-	-	(1,292)	-	-	-
Purchase of shares held for Share Award Plan (Note 25(b))	-	-	(375,147)	-	-	-	-	(375,147)
Vesting of awarded shares	(5,252)	-	19,048	-	(13,796)	-	-	-
Transfer to statutory reserve	-	53,522	-	-	-	-	-	53,522
Change in the fair value of financial assets at FVOCI	-	-	-	-	-	(308)	-	(308)
Capital contribution from the shareholder (Note (b))	-	-	(264,316)	264,316	-	-	-	-
Exchange difference	-	-	-	-	-	-	(103,790)	(103,790)
As at 31 December 2024	11,013,862	629,588	(2,672,344)	264,316	104,034	(5,446)	(622,823)	8,711,187



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Other reserves (continued)

Notes:

- (a) Statutory surplus reserves represent the statutory surplus reserves and statutory public welfare fund. The subsidiaries in the PRC appropriate 10% of the net profits as reported in their statutory financial statements (after offsetting any prior year's losses) to the statutory surplus reserves until the reserves have reached 50% of their registered capital. Statutory surplus reserves are non-distributable to shareholders. The use of these reserves is to offset accumulated losses or to increase capital as determined by the Board of Directors of the relevant PRC subsidiaries in accordance with the relevant laws and regulations in the PRC.
- (b) During the year ended 31 December 2024, ZED Group Limited, the ultimate holding company of the Group, had contributed certain shares amounted to HK\$264,316,000 to the trustee of the 2022 Share Award Plan, it is treated as a capital contribution and is recorded under "Capital Reserve". The shares contributed by ZED Group Limited that are not yet vested for the 2022 Share Award Plan were recorded as shares held for share award plan of the Group.

27 Deferred government grant

	2025 HK\$'000	2024 HK\$'000
As at 1 January	53,259	55,765
Amortisation (Note 6)	(1,330)	(1,327)
Exchange differences	1,329	(1,179)
As at 31 December	53,258	53,259

Deferred government grant represents grants obtained from the PRC government in relation to the acquisition of land use rights by the Group. These grants are held as deferred income and recognised as other income and other losses, net in the consolidated statement of comprehensive income on a systematic basis to match with the respective land use rights' useful lives.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Deferred income tax

The balances shown in the consolidated balance sheet, after appropriate offsetting, are as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred income tax assets	610,782	584,761
Deferred income tax liabilities	(101,586)	(96,218)
Net deferred income tax assets	509,196	488,543

The net movements in the deferred income tax assets are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	488,543	311,602
(Charged)/credited to the consolidated statement of comprehensive income (Note 11)	(16,508)	162,508
Withholding tax paid	26,135	21,131
Exchange differences	11,026	(6,698)
As at 31 December	509,196	488,543

The gross movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Deferred income tax (continued)

Deferred income tax liabilities

	Unremitted earnings of PRC entities HK\$'000	Accelerated depreciation on property, plant and equipment HK\$'000	Lease assets HK\$'000	Total HK\$'000
As at 1 January 2024	(34,817)	(73,798)	(37,384)	(145,999)
(Charged)/credited to the consolidated statement of comprehensive income	(36,647)	3,156	(1,741)	(35,232)
Withholding tax paid	21,131	–	–	21,131
Exchange differences	913	1,544	795	3,252
As at 31 December 2024 and 1 January 2025	(49,420)	(69,098)	(38,330)	(156,848)
(Charged)/credited to the consolidated statement of comprehensive income	(37,024)	(6,145)	17,922	(25,247)
Withholding tax paid	26,135	–	–	26,135
Exchange differences	(2)	(1,820)	(704)	(2,526)
As at 31 December 2025	(60,311)	(77,063)	(21,112)	(158,486)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Deferred income tax (continued)

Deferred income tax assets

	Accrued expenses and others HK\$'000	Decelerated depreciation HK\$'000	Unrealised profits HK\$'000	Lease liabilities HK\$'000	Tax losses HK\$'000	Total HK\$'000
As at 1 January 2024	93,332	1,700	36,469	39,569	286,531	457,601
Credited to the consolidated statement of comprehensive income	11,627	849	13,701	1,769	169,794	197,740
Exchange differences	(1,097)	(45)	–	(841)	(7,967)	(9,950)
As at 31 December 2024 and 1 January 2025	103,862	2,504	50,170	40,497	448,358	645,391
Credited/(charged) to the consolidated statement of comprehensive income	181,067	336	(10,824)	(17,824)	(144,016)	8,739
Exchange differences	3,237	–	–	759	9,556	13,552
As at 31 December 2025	288,166	2,840	39,346	23,432	313,898	667,682

Notes:

(i) Recognition and measurement

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

As at 31 December 2025, the Group did not recognise deferred income tax assets of approximately HK\$224,889,000 (2024: HK\$196,754,000) in respect of losses incurred by the Group's PRC subsidiaries amounting to approximately HK\$899,555,000 (2024: HK\$787,016,000), that can be carried forward for one to five years for offsetting against future taxable income.

As at 31 December 2025, the Group did not recognise deferred income tax assets of approximately HK\$44,419,000 (2024: HK\$36,527,000) in respect of losses incurred by the Group's Hong Kong subsidiaries amounting to approximately HK\$269,209,000 (2024: HK\$221,377,000), that can be used to offset future income with no expiry date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Deferred income tax (continued)

Notes: (continued)

(ii) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Refer to Note 35.11 for the Group's other accounting policies relevant to deferred income tax.

29 Trade payables

	2025 HK\$'000	2024 HK\$'000
Trade payables	742,106	659,681

The trade payables are non-interest-bearing and are normally settled within credit terms of from 30 to 60 days.

At 31 December 2025 and 2024, the aging analysis of the trade payables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Up to 3 months	718,147	656,552
3 to 6 months	22,546	1,031
6 months to 1 year	948	804
Over 1 year	465	1,294
	742,106	659,681

Denominated in:	2025 HK\$'000	2024 HK\$'000
RMB	720,945	647,181
US\$	21,161	12,500
	742,106	659,681



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 Contract liabilities, accruals and other payables

	2025 HK\$'000	2024 HK\$'000
Deposits from logistic companies	9,489	8,850
Accrued salaries and wages	283,588	252,164
Accrued advertising and promotion expenses	46,732	42,195
Payables for capital expenditures	185,012	127,004
Transportation cost payables	205,403	200,906
Contract liabilities (Note 5 (c))	37,014	40,743
Others	40,487	26,013
	807,725	697,875

The contract liabilities, accruals and other payables are non-interest-bearing and are normally settled within credit terms of 30 to 60 days and approximate their fair value.

Denominated in:	2025 HK\$'000	2024 HK\$'000
RMB	802,369	692,659
HK\$	5,356	5,216
	807,725	697,875



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Consolidated statement of cash flows

(a) Reconciliation of loss before income tax to net cash used in operations is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax	(236,590)	(785,008)
Adjustments for:		
– Interest income	(121,774)	(223,808)
– Interest expense	3,301	4,652
– Depreciation of property, plant and equipment	147,683	146,920
– Depreciation of right-of-use assets	41,811	65,153
– Share-based compensation expense	77,349	62,798
– Loss on disposals of plant and equipment	17,219	6,874
– Gain on early termination of leases	(1,067)	(1,563)
– Amortisation of intangible assets	20,176	22,683
– Amortisation of deferred government grant	(1,330)	(1,327)
– Provision for impairment on property, plant and equipment	305	3,923
– Provision for impairment losses of financial assets	7,399	6,327
– Reversal of provision for inventories	–	(9,019)
– Fair value loss on financial assets at FVTPL	215	–
Operating loss before working capital changes	(45,303)	(701,395)
Changes in working capital:		
– Inventories	(20,598)	(228,493)
– Trade and bills receivables	(420,750)	161,964
– Prepayments, deposits and other receivables	(51,160)	(248,727)
– Trade payables	64,950	95,003
– Contract liabilities, accruals and other payables	91,084	39,252
– Amounts due to a related company	(46)	165
Net cash used in operations	(381,823)	(882,231)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Consolidated statement of cash flows (continued)

- (b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2025 HK\$'000	2024 HK\$'000
Net book amount	26,120	10,432
Net loss on disposals of plant and equipment	(17,219)	(6,874)
Proceeds from disposals of plant and equipment	8,901	3,558

- (c) The reconciliation of liabilities arising from financing activities is as follows:

	Dividend payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 January 2024	–	(158,896)	(158,896)
Net cash flows	549,099	60,063	609,162
Non-cash items:			
Addition of leases	–	(19,798)	(19,798)
Interest accruals	–	(4,652)	(4,652)
Early termination of leases	–	20,988	20,988
Dividend declared	(549,099)	–	(549,099)
Exchange difference	–	2,631	2,631
As at 31 December 2024	–	(99,664)	(99,664)
As at 1 January 2025	–	(99,664)	(99,664)
Net cash flows	779,318	37,690	817,008
Non-cash items:			
Addition of leases	–	(28,593)	(28,593)
Interest accruals	–	(3,301)	(3,301)
Early termination of leases	–	11,013	11,013
Dividend declared	(779,318)	–	(779,318)
Exchange difference	–	(2,054)	(2,054)
As at 31 December 2025	–	(84,909)	(84,909)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or under control of the close family members of the Group's controlling shareholder.

Zed Group Limited is the ultimate holding company of the Group as at 31 December 2025 and it is incorporated in Samoa (2024: Same).

Ms. PAN Dong is the ultimate controlling shareholder of the Company and Mr. Luo Qiuping, the Chief Executive Officer of the Company, is the husband of Ms. PAN Dong.

The Group

The directors of the Company are of the view that the following company is a related party to the Group:

Company's name	Relationship with the Group
Guangzhou Daoming Chemical Co., Ltd.	Company owned by Mr. Fu Xiangdong, the brother of Mr. Luo Qiuping



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Related party transactions (continued)

The Group (continued)

Save as disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties:

(a) Transactions with a related party

	2025 HK\$'000	2024 HK\$'000
Purchase of goods and raw materials from:		
Guangzhou Daoming Chemical Co., Ltd. (Note)	2,357	3,141

Note:

Goods were purchased in the ordinary course of business and in accordance with the terms and prices of the underlying agreements as agreed by both parties.

(b) Balance with a related party

	2025 HK\$'000	2024 HK\$'000
Amounts due to a related company – Trade nature		
Guangzhou Daoming Chemical Co., Ltd.	412	447

Note:

The carrying amount approximated its fair value and was denominated in RMB, which was unsecured, interest-free and repayable on demand. The trade balance due to the related company represents the trade payable arising from the purchase of goods and raw materials from the related company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Related party transactions (continued)

The Group (continued)

(c) Key management compensation

Key management includes executive directors of the Group. The compensation of key management personnel of the Group is shown below:

	2025 HK\$'000	2024 HK\$'000
Salaries, bonuses, allowances and other benefits	26,742	23,261
Contributions to social security plans	409	394
Share-based compensation expense	42,778	33,836
	69,929	57,491

The short-term benefits disclosed above do not include any bonuses payable under a short-term incentive scheme for the year ended 31 December 2025 (2024: Same). The share-based payments provided to key management personnel consist of options and share awards which are both equity-settled. Details of the share options and share awards are disclosed in Note 25.

Further details of the directors' and the chief executive's emoluments are included in Note 9 to the consolidated financial statements.

The Company

Amounts due from subsidiaries represent expenses paid by Company on behalf of certain subsidiaries and injection of working capital to certain subsidiaries as at 31 December 2025 (2024: Same).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the year-end date are as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value		
Financial asset at FVOCI	8,477	9,281
Financial asset at FVTPL	1,303	–
	9,780	9,281
Financial assets at amortised cost		
Trade and bills receivable	1,655,644	1,208,123
Deposits and other receivables	191,652	146,111
Fixed deposits	111,557	54,095
Cash and cash equivalents	3,604,664	5,216,379
	5,563,517	6,624,708
Financial liabilities at amortised cost		
Trade payables	742,106	659,681
Financial liabilities included in accruals and other payables	487,123	404,968
Amounts due to a related company	412	447
Lease liabilities	84,909	99,664
	1,314,550	1,164,760

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Commitments

(a) Capital commitments

	2025 HK\$'000	2024 HK\$'000
Acquisition of property, plant and equipment and intangible assets:		
– Contracted but not provided for	141,169	45,975

(b) Operating lease as lessee

As at 31 December 2025 and 2024, the Group has recognised right-of-use assets for non-cancellable leases where the Group is a lessee, except for short-term leases. The future aggregate minimum lease payments under non-cancellable short-term leases not recognised in the consolidated financial statements are as follows:

	2025 HK\$'000	2024 HK\$'000
Properties:		
– No later than 1 year	10,182	10,310

(c) Committed leases not yet commenced

As at 31 December 2025 and 2024, the total future lease payments for leases committed but not yet commenced were payable as follows:

	2025 HK\$'000	2024 HK\$'000
Properties:		
– Within one year	126	1,034
– After one year but within five years	–	494
	126	1,528



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies

35.1 Principle of consolidation

Subsidiaries

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

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

35.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the majority of the Group's subsidiaries is RMB. The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.2 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within “Other income and other gains/(losses), net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset to its working condition and location for intended use.

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

The depreciation methods and periods used by the Group are disclosed in Note 16.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 35.5).

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount and are recognised in consolidated statement of comprehensive income.

Construction-in-progress represents buildings under construction and machineries and equipment under installation, which is stated at historical cost less accumulated impairment losses, if any. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are ready for use, the costs are transferred to property, plant and equipment, depreciated and impaired, if any, in accordance with the policy as stated above.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.4 Intangible assets

(a) *Trademarks and patents*

Separately acquired trademarks and patents are stated at historical cost. Trademarks and patents acquired in a business combination are recognised at fair value at the acquisition date.

(b) *Computer software and system*

Refer to Note 15 for details about amortisation methods and periods used by the Group for intangible assets.

35.5 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.6 Financial assets

(a) Classification

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

- debt instruments to be measured at amortised cost; and
- equity instruments to be measured subsequently at fair value through other comprehensive income.
- equity instruments to be measured subsequently at fair value to profit or loss.

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

(b) Recognition and derecognition

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

(c) Measurement

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.6 Financial assets (continued)

(c) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income and other gains/(losses), net in the consolidated statement of profit or loss as applicable.

Details on how the fair value is determined are disclosed in Note 3.3.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.6 Financial assets (continued)

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) and Note 21 for further details.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

35.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. There are also arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

35.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

35.9 Share capital

Ordinary shares are classified as equity (Note 24). Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

35.11 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.11 Current and deferred income tax (continued)

(b) Deferred income tax

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

35.12 Employee benefits

(a) Pension obligation

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by government or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.12 Employee benefits (continued)

(a) Pension obligation (continued)

All contributions to pension plans are fully and immediately vested and the Group had no unvested benefits available to reduce its future contributions.

The Group also contributes on a monthly basis to various defined contribution plans and other employee social security plans, including pension, medical, other welfare benefits, organised and administered by the relevant governmental authorities in respect of its employees in the PRC. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to certain ceiling, as stipulated by the relevant regulations.

(b) Share-based compensation

Share options scheme

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Share award plan

For the share award plan, the Group may purchase its own shares through the independent trustee of the share award plan from the open market for the shares to be vested under the share award plan. The consideration paid by the independent trustee, at the costs of the Company, for purchasing the Company's shares from the market, including any directly attributable incremental cost, is presented as "Shares held for share award plan" as a deduction under equity. When the independent trustee transfers the Company's shares to the awardees upon vesting, the related costs of the awarded shares vested are credited to "Shares held for share award plan", with a corresponding adjustment made to reserves. The related share-based compensation expense is recognised in the consolidated statement of comprehensive income over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.12 Employee benefits (continued)

(b) *Share-based compensation (continued)*

Share award plan (continued)

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

(c) *Bonus plans*

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

35.13 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.14 Government grants

Government grants relating to the purchase of property, plant and equipment and right-of-use assets are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to costs are deferred and recognised within “Other income and other losses, net” in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Note 6 provides further information on how the Group accounts for government grants.

35.15 Leases

The Group leases various properties. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets (excluding land use rights) may not be used as security for borrowing purposes.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Summary of other accounting policies (continued)

35.15 Leases (continued)

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

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

Entity-specific details about the group's leasing policy are provided in Note 17(iii).

35.16 Dividend distribution

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Balance sheet and reserves movement of the Company

(a) Balance sheet of the Company

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current asset			
Investments in subsidiaries		233,309	155,959
Current assets			
Dividend receivables		5,197,500	5,197,500
Amounts due from subsidiaries	32	833,425	803,170
Other receivables		–	587
Cash and cash equivalents		2,155,509	3,077,480
		8,186,434	9,078,737
Total assets		8,419,743	9,234,696
EQUITY			
Equity attributable to owners of the Company			
Share capital	24	58,641	58,631
Reserves	36(b)	8,356,397	9,171,335
Total equity		8,415,038	9,229,966
LIABILITIES			
Current liability			
Accruals and other payables		4,705	4,730
Total liabilities		4,705	4,730
Total equity and liabilities		8,419,743	9,234,696

The above balance sheet should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Balance sheet and reserves movement of the Company (continued)

(b) Reserves movements of the Company

	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 January 2024	9,021,804	880,268	9,902,072
Profit for the year	–	130,298	130,298
Issuance of ordinary shares upon exercise of share options (Note 24)	413	–	413
Dividend relating to 2023	–	(329,127)	(329,127)
Interim dividend relating to 2024 (Note 12)	–	(219,972)	(219,972)
Share-based compensation expense (Note 25(c))	62,798	–	62,798
Purchase of shares held for Share Award Plan (Note 25(b))	(375,147)	–	(375,147)
As at 31 December 2024	8,709,868	461,467	9,171,335
As at 1 January 2025	8,709,868	461,467	9,171,335
Profit for the year	–	103,103	103,103
Issuance of ordinary shares upon exercise of share options (Note 24)	3,704	–	3,704
Final dividend relating to 2024 (Note 12)	(332,546)	–	(332,546)
Interim dividend relating to 2025 (Note 12)	(446,772)	–	(446,772)
Share-based compensation expense (Note 25(c))	77,349	–	77,349
Purchase of shares held for Share Award Plan (Note 25(b))	(219,776)	–	(219,776)
As at 31 December 2025	7,791,827	564,570	8,356,397



FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	8,408,911	8,555,601	7,323,532	7,946,733	7,597,481
Gross profit	5,020,951	5,183,436	4,540,420	4,595,441	4,438,798
(Loss)/profit before income tax	(236,590)	(785,008)	395,909	838,057	1,271,011
(Loss)/profit for the year and (Loss)/profit attributable to equity holders of the Company	(328,933)	(749,312)	325,309	611,366	1,014,415
(Loss)/earnings per share					
Basic	HK(6.23) cents	HK(13.74) cents	HK5.84 cents	HK10.92 cents	HK17.49 cents
Diluted	HK(6.23) cents	HK(13.74) cents	HK5.84 cents	HK10.87 cents	HK17.39 cents
Dividend per share					
Interim	HK8.00 cents	HK4.00 cents	–	–	–
Final	HK10.00 cents	HK6.00 cents	HK6.00 cents	HK16.80 cents	HK13.80 cents
Non-current assets	2,575,907	2,530,122	2,487,130	2,354,900	2,325,827
Current assets	6,770,746	7,775,476	9,565,511	10,374,825	12,185,909
Total assets	9,346,653	10,305,598	12,052,641	12,729,725	14,511,736
Non-current liabilities	203,066	216,395	245,038	230,599	261,426
Current liabilities	1,626,269	1,424,604	1,428,560	1,426,346	1,903,888
Total liabilities	1,829,335	1,640,999	1,673,598	1,656,945	2,165,314
Net current assets	5,144,477	6,350,872	8,136,951	8,948,479	10,282,021
Total assets less current liabilities	7,720,384	8,880,994	10,624,081	11,303,379	12,607,848
Cash and cash equivalents	3,604,664	5,216,379	4,342,528	7,702,373	9,233,656
Key Financial Ratio					
Gross profit margin	59.7%	60.6%	62.0%	57.8%	58.4%
Net (loss)/profit margin	(3.9%)	(8.8%)	4.4%	7.7%	13.4%
Current ratio	4.2	5.5	6.7	7.3	6.4