

JS Global

Stock code: 1691



2025 ANNUAL REPORT

JS 环球生活有限公司
JS GLOBAL LIFESTYLE COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

WANG Xuning (*Chairman*)⁽¹⁾

HAN Run (*Chief Executive Officer and Chief Financial Officer*)⁽²⁾

HUANG Shuling⁽³⁾

Non-executive Director

Stassi Anastas ANASTASSOV

Independent Non-executive Directors

Yuan DING

YANG Xianxiang

SUN Zhe

Maximilian Walter CONZE

AUDIT COMMITTEE

Yuan DING (*Chairman*)

YANG Xianxiang

SUN Zhe

NOMINATION COMMITTEE

WANG Xuning (*Chairman*)

Yuan DING

YANG Xianxiang

Maximilian Walter CONZE

HAN Run⁽²⁾

REMUNERATION COMMITTEE

YANG Xianxiang (*Chairman*)

HAN Run

SUN Zhe

STRATEGY COMMITTEE

WANG Xuning (*Chairman*)

Stassi Anastas ANASTASSOV

SUN Zhe

Yuan DING

YANG Xianxiang

Maximilian Walter CONZE

AUTHORISED REPRESENTATIVES

HAN Run

SUEN Ka Yan⁽⁴⁾

CHU Ka Ying⁽⁵⁾

COMPANY SECRETARY

SUEN Ka Yan⁽⁴⁾

CHU Ka Ying⁽⁵⁾

REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

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Grand Cayman KY1-1104

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Central

Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Cheung Kong Center II

10 Harcourt Road

Central

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093

Boundary Hall

Cricket Square

Grand Cayman

KY1-1102

Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISERS

As to Hong Kong and US laws

Paul Hastings
22/F, Bank of China Tower
1 Garden Road
Hong Kong

As to Cayman Islands laws

Maples and Calder (Hong Kong) LLP
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18 Harbour Road
Wanchai
Hong Kong

AUDITOR

Ernst & Young (*Certified Public Accountants*)
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

PRINCIPAL BANK

China Construction Bank (Asia) Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Bank of China Limited

STOCK CODE

1691

COMPANY'S WEBSITE

www.jsgloballife.com

DATE OF LISTING

December 18, 2019

Notes:

- ⁽¹⁾ Mr. WANG Xuning stepped down as the Chief Executive Officer with effect from March 26, 2026.
- ⁽²⁾ Ms. HAN Run was appointed as the member of the Nomination Committee with effect from March 27, 2025 and was appointed as the Chief Executive Officer with effect from March 26, 2026.
- ⁽³⁾ Ms. HUANG Shuling resigned as the executive Director with effect from March 26, 2026.
- ⁽⁴⁾ Ms. SUEN Ka Yan resigned as the authorised representative and the company secretary of the Company with effect from December 19, 2025.
- ⁽⁵⁾ Ms. CHU Ka Ying was appointed as the authorised representative and the company secretary of the Company with effect from December 19, 2025.

Summary of Financial Information

	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000 (Restated) ⁽³⁾	2021 US\$'000
Results					
From continuing operations					
Revenue from continuing operations	1,659,563	1,593,585	1,428,706	1,475,506	5,150,593
Gross profit from continuing operations	533,859	510,188	486,584	536,386	1,924,383
(Loss)/profit before tax from continuing operations	(15,669)	7,655	84,824	136,676	574,835
(Loss)/profit for the year from continuing operations	(18,830)	8,752	70,265	111,466	460,702
Profit for the year from a discontinued operation	-	-	79,703	246,037	-
(Loss)/profit for the year	(18,830)	8,752	149,968	357,503	460,702
(Loss)/profit attributable to the owners of the parent	(24,150)	6,209	131,707	332,274	420,499
Total comprehensive income for the year	(4,802)	(3,306)	120,902	280,942	478,055
Total comprehensive income attributable to the owners of the parent	(14,324)	(4,678)	108,105	273,412	432,258
Adjusted EBITDA ⁽¹⁾	49,500	14,085	397,052	673,035	733,533
Adjusted net profit ⁽²⁾	31,100	7,099	229,780	425,587	502,444

(1) EBITDA is defined as profit before tax plus finance costs, depreciation and amortization, less interest income, see “– Non-IFRS Measures” below.

(2) Adjusted net profit is defined as profit for the year adjusted for certain items that do not affect the Company’s ongoing operating performance, including items arising from acquisition and relating to the reorganization in preparation for the Global Offering and non-recurring items and items not related to the Company’s ordinary course of business (each without considering tax effect), see “– Non-IFRS Measures” below.

(3) The Group has restated the comparative amounts for 2022 as a result of the discontinued operation in 2023.

	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Assets					
Non-current assets	289,374	369,353	381,382	2,053,686	2,029,736
Current assets	1,346,856	1,127,457	1,021,909	2,582,129	2,779,075
Total assets	1,636,230	1,496,810	1,403,291	4,635,815	4,808,811
Equity and liabilities					
Equity attributable to owners of the parent	520,153	534,311	535,465	1,899,692	1,860,097
Non-controlling interests	161,242	157,862	162,700	164,957	228,798
Total equity	681,395	692,173	698,165	2,064,649	2,088,895
Non-current liabilities	43,401	32,372	10,368	976,138	1,096,519
Current liabilities	911,434	772,265	694,758	1,595,028	1,623,397
Total liabilities	954,835	804,637	705,126	2,571,166	2,719,916
Total equity and liabilities	1,636,230	1,496,810	1,403,291	4,635,815	4,808,811

Chairman's Statement

Dear Shareholders,

On behalf of JS Global Lifestyle Company Limited (the "**Company**" or "**we**"), I am pleased to present the 2025 annual results of the Company and its subsidiaries (the "**Group**").

Time surges onward, bearing witness to our journey. Looking back on 2025, the global economy once again demonstrated extraordinary resilience amid complex and shifting trends. This year saw us weather the short-term turbulence of trade policy adjustments while witnessing the long-term opportunities nurtured by technological and green transitions.

Reflecting on 2025, the global economy defied the pessimistic forecasts of the year's outset amidst its ups and downs, though its growth momentum underwent rollercoaster-like adjustments. Early in the year, trade tensions between major economies flared abruptly, with tariff barriers and policy uncertainties casting a shadow over markets. Nevertheless, the underlying resilience of the global economy proved stronger than anticipated, with businesses swiftly adapting to the new trade environment and supply chains demonstrating significantly enhanced self-repair and adjustment capabilities.

For the Group, this year was one of intertwined challenges and hope, a year in which we achieved steady progress through agile responsiveness and deep localization.

OPERATIONAL HIGHLIGHTS OF THE YEAR

During the fiscal year of 2025, the Group leveraged its advantages and consolidated its resources to focus on the operation of Joyoung Co., Ltd. ("**Joyoung segment**") and the development of SharkNinja Asia Pacific business ("**SharkNinja APAC segment**") with a view to the future.

In fiscal year of 2025, the Group achieved sales revenue of approximately US\$1,659.6 million, representing a year-on-year increase of 4.1%. In which, the Joyoung segment achieved a third-party sales revenue of approximately US\$1,032.4 million, representing a year-on-year increase of 1.1%. Meanwhile, the SharkNinja APAC Segment achieved a third-party sales revenue of US\$532.6 million, representing a year-on-year increase of 55.6%.

Third-party sales revenue of the Joyoung segment has seen an increase, primarily attributable to the Company's continued launch of differentiated and innovative products, optimization of the product portfolio, and strengthening of channel operations. As a leading brand in small household appliance industry, the Joyoung segment proactively responds to evolving consumer demands by deepening technological innovation and launching premium products. These include flagship offerings such as the Auto-Clean Low Purine Soymilk Maker K7 Pro, the Titanium Non Stick Zero Coating Rice Cooker 40N1U and the Joyoung Tianjing 2700 Heating Water Purifier, thereby setting the trajectory for industry innovation. Regarding distribution channels, the Company has proactively expanded into emerging platforms, enhanced targeted product development and content marketing, and strengthened user research, data analytics, and live-streaming operations. These initiatives have effectively improved conversion efficiency across the entire sales funnel.

Chairman's Statement

In 2025, SharkNinja APAC segment's revenue growth depended on its development strategy of continuously digging into existing markets, consolidating the strengths of its core categories and launching new categories, and expanding into new markets. During the year, SharkNinja APAC segment continued to strengthen its IT, tax, storage and logistics infrastructure construction, while increasing its market share in core categories in key markets. At the same time, SharkNinja APAC segment also accelerated the launch of new products and categories, and expanded its marketing activities to gain more market share. In 2025, SharkNinja APAC segment performed strongly in its three core markets, Australia (including New Zealand), Japan, and South Korea, with year-on-year growth in revenue of 73.2%, 41.2%, and 28.5%, respectively. Our new products launched in Asia Pacific region, such as Shark's cordless vacuum cleaners, Ninja's frozen drink makers and coffee machines performed well and were well received by consumers.

FUTURE OUTLOOK

The Group will continue to focus on the Asia Pacific region, including the Greater China region, prioritizing the expansion of its three core brands: Joyoung, Shark and Ninja. As we deepen our penetration across various markets, the tangible outcomes of our Asia Pacific strategy will become increasingly evident. We shall further consolidate our advantageous resources to enhance overall operational efficiency.

- i. Joyoung segment will remain committed to a user-centric and retail-focused approach to promote the coordinated development of product categories such as small kitchen appliances, water appliances, cleaning appliances and cookware. On the basis of sound operation, the management will actively grasp the structural opportunities of new customer segments, categories, channels and sectors, explore and dare to change, continuously deepen their capabilities in understanding user needs, strengthen the construction of core capabilities such as technological innovation, product management, channel marketing and brand promotion, enhance the ability of refined operation, and devote itself to comprehensively improve the quality and operational efficiency of the enterprise.
- ii. SharkNinja APAC segment will advance its growth objectives in the Asia Pacific region in a phased, market-specific manner. We will persist in increasing our investment in core markets such as Australia (including New Zealand), Japan and South Korea, covering areas such as product research and development, brand marketing initiatives and talent recruitment, and introduce smarter, healthier innovative products to precisely meet the needs and pain points of consumers in each market. Meanwhile, for other Asia Pacific countries and regions that we have recently entered and plan to expand in the future, we will implement practical market entry strategies to lay a solid foundation for the long-term sustainable development of the SharkNinja APAC segment.
- iii. In the medium to long-term, we shall actively establish overseas research and development ("R&D") capabilities, set up localized R&D teams, attract international talent, and progressively build an R&D system supporting global markets. Through the continuous introduction of product innovations tailored to local needs, we are committed to creating superior product experiences for consumers across the Asia Pacific region, including Greater China.

The Group will continue to adhere to its established business model, persistently delving into consumer demands. Leveraging robust marketing and media communication capabilities alongside an omnichannel distribution network, we shall continue to create market-influential blockbuster products. Concurrently, we will further harness synergies with SharkNinja Group, integrating strengths in R&D, branding and supply chain to drive sustained business growth.



Chairman's Statement

Looking ahead, Joyoung segment is committed to further expanding and enhancing the brand equity of our "Home Kitchen", "Charity Kitchen" and "Space Kitchen" portfolio. We will deepen our focus on core product lines including small kitchen appliances, water appliances, cleaning appliances and cookware, steadily driving high-quality business development.

Since commencing independent operations in July 2023, the SharkNinja APAC segment team has collaborated closely across regional markets, overcoming challenges to actively drive product launches and market expansion while continuously identifying new growth opportunities. Through robust execution and team synergy, all regional businesses have achieved strong growth, with core categories seeing significant increases in sales and market share across key markets.

In 2026, all employees of JS Global Lifestyle will unite in purpose, resolutely advancing towards our goal of becoming the leading small household appliance provider in the Asia Pacific market. We will continue to unlock synergies across our three brands of Joyoung, Shark and Ninja, delivering innovative, high-quality products that enhance the daily lives of consumers across Asia Pacific while delivering long-term value for our shareholders.

Wang Xuning

Chairman

Hong Kong, March 26, 2026

Management Discussion and Analysis

The following discussion should be read in conjunction with the consolidated financial information of the Group, including the related notes, set forth in the financial information section of this report.

BUSINESS OVERVIEW

Our mission is to positively impact people's lives around the world every day through transformational, innovative, and design-driven smart home products.

We are the leader in high-quality, innovative small household appliances and our success is centered around our deep understanding of local consumer needs, and is built on our strong product innovation and design capability powered by a global research and development platform, marketing strengths driving high brand engagement, and an omni-channel distribution model with high penetration. Through continuously creating new products, expanding and diversifying our product portfolio to stimulate consumers' demand and grow the market, we are the leader of the market, reshaping the consumer behavior and their lifestyle.

We focus on three core competencies: (i) developing transformational innovative products with appealing designs; (ii) effecting multi-form brand and product marketing activities; and (iii) building omni-channel sales network. They are supported by efficient operational infrastructure, including a global research and development platform which utilizes consumer engagement to amass information on consumer preferences and behaviors that informs and influences the product development process, a centralized supply chain with a global reach and a comprehensive information management system across the entire value chain.

We offered our transformational and innovative small household appliances under the brand names of Joyoung, Shark and Ninja within the following two business segments during the Reporting Period:

- The SharkNinja APAC segment specializes in innovative cleaning appliances, kitchen appliances, personal care appliances and home environment appliances for the APAC markets excluding Chinese mainland. Leveraging consumer insights in different markets, we have launched new products and categories, expanded our product portfolio, enriched marketing campaigns, and strengthened our market share in legacy markets. At the same time, we endeavor to enter more markets or regions.
- During the Reporting Period, the Joyoung segment remained dedicated to technological innovation, consistently delivering high-quality, healthy home appliances with a focus on kitchen appliances and cleaning appliances. In Chinese mainland, the Joyoung brand is at the forefront of several innovative product categories.



Management Discussion and Analysis

Chinese mainland

Amid intensified market competition and structural shifts in industry demand and consumption patterns, the Group's Joyoung segment, as a leading company in China's small home appliance industry, continued to lead innovation through the launch of a series of high-quality small home appliances equipped with cutting-edge technologies.

- **Auto-Clean Low Purine Soymilk Maker K7 Pro:** The K7 Pro integrates a dual core "low purine and fully self cleaning" technology system, addressing consumers' growing demand for healthier dietary solutions. Its proprietary two stage constant temperature purine reduction technology enables precise temperature control to facilitate purine dissolution and separation. In addition, the product is equipped with a four stage self cleaning system comprising high pressure spray washing, high temperature rinsing, high speed blending wash and pasteurised hot air sterilisation, delivering a sterilisation rate of up to 99.9999%. The adoption of a BLDC variable frequency brushless motor further reduces operating noise to approximately 35–40 decibels, enhancing the overall user experience.
- **Titanium Non Stick Zero Coating Rice Cooker 40N1U:** The product features a titanium zero coating inner pot, constructed with a food grade stainless steel base and a titanium infused surface layer. This design eliminates potential health concerns associated with coating detachment while addressing the sticking issues commonly found in conventional uncoated inner pots. The rice cooker is equipped with a dual heating system combining Star Disk IH and far infrared heating, which improves temperature control and rice texture, delivering healthier non-stick cooking performance.
- **Joyoung Tianjing 2700 Heating Water Purifier:** The Tianjing 2700 adopts a six dimensional full chain antibacterial design and imported reverse osmosis filtration technology, capable of filtering more than 150 types of harmful substances. The product is equipped with aerospace grade long life filter technology, extending the overall filter lifespan to up to six years. In addition, with the integration of aerospace technology and precise temperature control, the purifier achieves a 2700G high flow rate, delivering a cup of water in approximately one second.

With ongoing consumption upgrading and increasing demand for quality and functionality, the small home appliance industry has entered a phase of high-quality development. In response to the rapid evolution of retail channels, the Group actively advanced instant retail, coordinating the development of offline retail stores, shelf-based e-commerce and content-driven e-commerce, while selectively expanding into emerging niche channels. To more effectively respond to changing consumer preferences, the Group strengthened targeted product development and content-driven marketing initiatives, with a strategic focus on platforms such as Rednote, Douyin and WeChat Video Accounts. Investments were increased in user research, data analytics and livestream operations, and a self-operated livestream centric ecosystem was progressively established. This approach enabled the Group to connect the full consumer journey from product discovery and recommendation to purchase and sharing, contributing to improvements in brand Net Promoter Score ("NPS") and overall conversion efficiency, and supporting the broader adoption of smart and health focused products among households.

Management Discussion and Analysis

SharkNinja – APAC Regions (Excluding Chinese mainland)

SharkNinja APAC segment recorded strong growth of revenue from APAC regions excluding Chinese mainland in 2025 with revenue from third party customers of US\$532.6 million compared to US\$342.3 million in the previous year. The year-on-year growth of 55.6% was mainly attributable to innovation led growth across core product categories. Momentum also continued across emerging Southeast Asian markets. Despite heightened competitive intensity and promotional pressure during the year, the SharkNinja APAC segment remained focused on differentiated innovation to protect and expand market share, supporting continued growth momentum into 2026.

Australia and New Zealand

Our Australia and New Zealand (“**ANZ**”) business continues to demonstrate resilience, with growth across our strategic categories, particularly food preparation and cleaning, despite intensifying competitive pressure. ANZ remains the biggest market in the SharkNinja APAC segment, with net revenue growing significantly by 73.2% to US\$255.0 million in 2025 (2024: US\$147.2 million).

New product launches, including the frozen drink makers (“**Slushi**”) and electric fans (“**FlexBreeze**”), successfully expanded our presence into new categories. This performance was further supported by the standout launch of the coffee machine (“**Luxe Café Premier**”), which rapidly achieved market leadership and exceeded expectations in both consumer demand and retailer support within the beverages category. At the same time, we are focused on revitalizing slower growing segments such as blenders, haircare and cooking appliances to drive a more balanced and sustainable growth across the portfolio.

Cleaning: Performance remained solid amid heightened promotional activity across the category. The launch of our new generation of cordless vacuums, featuring PowerDetect™ Clean and auto empty technology, delivered encouraging early results, supporting market share gains and reinforcing the role of innovation in sustaining category momentum.

Food preparation: We continued to perform strongly, led by category defining products such as Slushi, powered by our proprietary RapidChill Technology. Building on this success, we have further strengthened our position through the introduction of an upgraded ice-cream makers (“**Swirl**”).

Personal care: The performance of hair care appliances reflected a lighter innovation cycle during the year, as the timing of new product launches was adjusted following changes in regulatory requirements.

Japan

The Japan market maintained strong growth, with revenue increasing to US\$158.3 million in 2025 (2024: US\$112.1 million), representing a year-on-year growth rate of 41.2%.

Shark brand continues to maintain its strong position in the Japan market despite intensifying competition in the cordless stick vacuum segment, driven by the launch of two innovative products: one featuring advanced deep clean technology for superior performance (“**PowerClean 360**”), and another designed for ultra lightweight convenience while maintaining strong suction power (“**Featherweight 3.0**”). While these launches have been instrumental in increasing our market share in this category to 24%* and bringing the Company close to the top position.

* Source: Market share defined as POS share as per GfK



Management Discussion and Analysis

Following a strong debut in 2024 with the successful launch of our cordless portable blender, Ninja brand entered 2025 focused on sustaining momentum with the introduction of “**Blast Max**”, an upgraded model delivering greater power and performance. Despite competitive pressure, Ninja maintained strong category performance with a 19%* share in the first half of the year and accelerating to 23%* by year-end, with growth driven largely by the success of Blast Max.

South Korea

In 2025, we continued expanding our presence in the South Korea market reaching net revenue of US\$90.6 million in 2025, representing year-on-year growth of 28.5% (2024: US\$70.5 million). Performance in the first five months of the year was strong, however, growth momentum moderated thereafter due to the impact of operation-related challenges at the local distributor level.

Despite these headwinds, the cleaning category delivered solid progress, with cordless vacuum market share more than doubling year-on-year to 13%* in 2025. Growth was driven by strong consumer uptake of lightweight models featuring one touch emptying and smart IQ technology, helping to narrow the gap with major competitors. Food preparation also continued to perform well, gaining 800 basis points to reach a 22.5%* market share in 2025. Performance was supported by successful product launches, including Ninja Blast Max, Detect Power Blender, and Silent IQ Blender.

As we address the operation challenges experienced under the distributor led model, South Korea market will transition to a direct-to-market operating model in 2026 to enhance execution, control, and long term stability.

Other Markets

In 2025, total revenue in other markets of the SharkNinja APAC segment reached US\$28.7 million, significantly up from US\$12.5 million in the previous year. Growth was primarily driven by e-commerce momentum in Singapore and continued market building efforts across Southeast Asia. While progress was encouraging, scale development remained at an early stage. As a result, we are refining our approach to accelerate growth and enhance capital efficiency. Looking ahead to 2026, we are recalibrating our plans to accelerate momentum in newer expansion markets. With the successful launch in Taiwan and completed preparations for entry into Hong Kong and India, we are well positioned to drive accelerated growth in 2026.

* Source: Market share defined as POS share as per GfK

Management Discussion and Analysis

FINANCIAL REVIEW

Overall performance

During the Reporting Period, the total revenue of the Group was US\$1,659.6 million, representing a year-on-year increase of 4.1%. Gross profit was US\$533.9 million, representing a year-on-year increase of 4.6%. Gross profit margin was 32.2%, representing an increase of 0.2 percentage point from the year ended December 31, 2024. Profit for the Reporting Period decreased by 313.6% to a net loss of approximately US\$18.8 million. Profit attributable to owners of the parent decreased by approximately 490.3% year-on-year to net loss attributable to owners of the parent of approximately US\$24.2 million. EBITDA¹ for the Reporting Period dropped by 102.5% year-on-year to EBITDA loss of approximately US\$0.4 million, and adjusted EBITDA² for the Reporting Period increased by 253.6% year-on-year to approximately US\$49.5 million. Adjusted net profit³ for the Reporting Period increased by 338.0% year-on-year to approximately US\$31.1 million.

Revenue

For the Reporting Period, the Group recorded a total revenue of US\$1,659.6 million (2024: US\$1,593.6 million), representing a year-on-year increase of 4.1%.

The following table sets forth the breakdown of the Group's revenue by business segment:

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Joyoung segment	1,032.4	62.2	1,020.9	64.1
SharkNinja APAC segment	532.6	32.1	342.3	21.5
Total sales to third party customers⁴	1,565.0	94.3	1,363.2	85.6
Joyoung segment	88.7	5.3	191.6	12.0
SharkNinja APAC segment	5.9	0.4	38.8	2.4
Total revenue with related parties	94.6	5.7	230.4	14.4
Total revenue	1,659.6	100.0	1,593.6	100.0

¹ EBITDA is defined as profit before taxation plus finance costs, depreciation and amortization, less interest income. For a reconciliation of profit before tax for the periods to EBITDA as defined, see "– Non-IFRS measures" below.

² For a reconciliation of EBITDA for the Reporting Period to adjusted EBITDA as defined, see "– Non-IFRS measures" below.

³ Adjusted net profit is defined as profit for the period adjusted for certain items that do not affect the Company's ongoing operating performance, including items arising from acquisition and relating to the reorganization in preparation for the Global Offering (as defined below and non-recurring items and items not related to the Company's ordinary course of business (each without considering tax effect)). For a reconciliation of profit for the periods to adjusted profit, see "– Non-IFRS measures" below.

⁴ Sales to third party customers also included transactions with associates, which were conducted on arm's length terms consistent with those applied to other major customers.

Management Discussion and Analysis

The Joyoung segment represents the Group's Joyoung business unit, which focuses on kitchen and cleaning appliances. The SharkNinja APAC segment represents the Group's SharkNinja business unit, which distributes its products in Japan, ANZ, and other Asia Pacific markets and is primarily focused on cleaning appliances and kitchen appliances.

For the year ended December 31, 2025, revenue from third party customers of the Joyoung segment amounted to US\$1,032.4 million (2024: US\$1,020.9 million), growing by approximately 1.1% year-on-year and accounting for approximately 62.2% of the total revenue of the Group. During the Reporting Period, revenue from third party customers of the SharkNinja APAC segment was US\$532.6 million (2024: US\$342.3 million), growing by approximately 55.6% year-on-year and accounting for approximately 32.1% of the total revenue of the Group.

The revenue from third party customers of Joyoung segment remained stable during the Reporting Period mainly driven by sales improvements of soymilk makers and most of the food preparation appliances, while offset by weak demand for rice cookers and cleaning appliances.

The strong revenue growth in the SharkNinja APAC segment from third party customers was attributable to innovation-led product launches across core product categories in key APAC markets, including Japan, ANZ and South Korea. Strong performance was led by lightweight cordless vacuums, smart blenders and ice-cream makers, alongside successful category expansion into frozen drink makers, coffee machines and electric fans. In addition, ongoing geographic expansion and increasing brand traction in emerging markets such as Singapore, Philippines, Indonesia, and Thailand contributed to the strong revenue growth during the Reporting Period.

The revenue from related parties under Joyoung segment represents the Joyoung Group being engaged by SharkNinja Non-APAC business after the Spin-off⁵ for the manufacturing or procuring original equipment manufacturer ("OEM") suppliers to manufacture certain SharkNinja products of cooking appliances, food preparation appliances and floorcare appliances starting from July 31, 2023. For more details, please refer to the announcements of the Company dated July 31, 2023 and April 5, 2024 and the circulars of the Company dated September 18, 2023 and May 7, 2024.

The revenue from related parties under SharkNinja APAC segment represents one of the sourcing offices within the Group, which provided sourcing services to SharkNinja Non-APAC business for production and manufacturing of SharkNinja products. The revenue from such sourcing arrangement was made up of the mark-up fee on the procurement amounts charged by OEM suppliers, less direct expenses by providing such sourcing service. Upon completion of the Spin-off⁵, the Group has continued to provide value-added sourcing services to the SharkNinja Non-APAC business over a transitional period and charge certain service fee rate on the procurement amount. For more details, please refer to the announcement of the Company dated July 31, 2023 and the circular of the Company dated September 18, 2023.

⁵ The Spin-off is defined as the transaction completed in 2023 pursuant to which SharkNinja, Inc. and its subsidiaries (the "SharkNinja Group") were separated from the Group and its shares were separately listed on the New York Stock Exchange.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's sales to third party customers by brand:

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Joyoung	1,025.2	65.5	997.1	73.1
Shark	337.7	21.6	254.2	18.7
Ninja	202.1	12.9	111.9	8.2
Total sales to third party customers	1,565.0	100.0	1,363.2	100.0

During the Reporting Period, total revenue generated by the Joyoung brand was approximately US\$1,025.2 million (2024: US\$997.1 million), representing a year-on-year increase of approximately 2.8%. The revenue of Joyoung brand grew slightly mainly driven by sales recovery of soymilk makers and water purifiers, while partially offset by weak demand for rice cookers and air fryers.

During the Reporting Period, total revenue generated by the Shark brand was approximately US\$337.7 million (2024: US\$254.2 million), representing a year-on-year increase of approximately 32.8%. Such growth was attributable to continued market share gains in cordless vacuum and launch of new electric fans across both established and newly entered markets.

During the Reporting Period, total revenue generated by the Ninja brand was approximately US\$202.1 million (2024: US\$111.9 million), representing a year-on-year increase of approximately 80.6%. Such performance was driven by strong growth of both cooking and food preparation appliances across APAC markets, led by strong consumer demand for air fryers, blenders, frozen drink makers, ice-cream makers, electric grills and the recent expansion into coffee machines.

The following table sets forth the breakdown of the Group's sales to third party customers by geography:

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Chinese mainland	1,016.9	65.0	1,004.0	73.7
ANZ	255.0	16.3	147.2	10.8
Japan	158.3	10.1	112.1	8.2
South Korea	90.6	5.8	70.5	5.2
Other markets	44.2	2.8	29.4	2.1
Total sales to third party customers	1,565.0	100.0	1,363.2	100.0

Management Discussion and Analysis

During the Reporting Period, total revenue generated from Chinese mainland was approximately US\$1,016.9 million (2024: US\$1,004.0 million), representing a year-on-year growth of 1.3%. The ability to maintain the revenue level was mainly due to sales improvement of both soymilk makers and water purifiers, while offset by weak demand for rice cookers and cleaning appliances.

During the Reporting Period, total revenue generated from ANZ was approximately US\$255.0 million (2024: US\$147.2 million), representing a year-on-year increase of approximately 73.2%. The significant increase in revenue was attributable to consistent innovation and effective execution across both the food preparation and cleaning categories, despite a highly competitive market environment. Revenue growth was driven by market share gains in core product categories, including cordless vacuums, frozen drink makers and ice-cream makers, as well as the successful launch of coffee machines, which rapidly achieved a market leading position in the beverages category. Together with disciplined commercial execution, these factors further reinforced ANZ's position as the largest and most significant market within the SharkNinja APAC segment, providing a solid foundation for continued growth.

During the Reporting Period, total revenue generated from Japan was approximately US\$158.3 million (2024: US\$112.1 million), representing a year-on-year growth of approximately 41.2%. The increase in revenue was driven by continued market value growth in the cordless vacuum category despite heightened competitive pressure, alongside sustained momentum in the food preparation category driven by the successful launch of advanced blenders. In addition, the launch of electric fans in Japan, marking the entry into the home environment category, contributed incremental revenue during the Reporting Period.

During the Reporting Period, total revenue generated from South Korea was approximately US\$90.6 million (2024: US\$70.5 million), representing a year-on-year growth of approximately 28.5%. Such growth was supported by sustained momentum across both cleaning and food preparation appliances, underpinned by successful products despite an increasingly competitive market environment. However, the growth in South Korea market moderated in the second half of the Reporting Period due to operational challenges faced by the local distributor.

During the Reporting Period, total revenue generated from other markets was approximately US\$44.2 million (2024: US\$29.4 million), representing a year-on-year increase of 50.3%, primarily attributable to strong e-commerce momentum in Singapore and continued market-building efforts across Southeast Asia markets, including Philippines, Thailand and Indonesia.

The following table sets forth the breakdown of the Group's sales to third party customers by product category:

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Cooking appliances	597.4	38.2	568.5	41.7
Food preparation appliances	512.7	32.8	430.3	31.6
Cleaning appliances	301.1	19.2	227.0	16.6
Others	153.8	9.8	137.4	10.1
Total sales to third party customers	1,565.0	100.0	1,363.2	100.0

Management Discussion and Analysis

Cooking appliances include rice cookers, pressure cookers, induction cookers, air fryers, and other appliances and utensils for cooking. Food preparation appliances include high-performance multifunctional blenders, soymilk makers, food processors, frozen drink makers, ice-cream makers and other small household appliances that facilitate the food preparation process.

Cleaning appliances include upright vacuums, cordless and corded stick vacuums and other floor care products. Other product category includes small household appliances, such as water purifiers, water heaters, thermos, hair-dryer and electric fan.

During the Reporting Period, cooking appliances were the Group's largest product category, with revenue contribution of 38.2% for the Reporting Period. The cooking category grew by 5.1% year-on-year to US\$597.4 million. Stable growth in cooking appliances was mainly resulted from growth of Ninja air fryers and electric grills, and the successful launch of coffee machines in APAC markets, while it was offset by weak demand for rice cookers and air fryers in Chinese mainland market.

During the Reporting Period, food preparation appliances recorded revenue increase of 19.1%, with the revenue of US\$512.7 million. The increase was primarily attributable to successful launch of innovative and differentiated products across APAC markets, including advanced blenders, ice-cream makers and frozen drink makers. The sales rebound of soymilk makers in Chinese mainland market further contributed to the growth.

The cleaning category grew by 32.6% year-on-year to US\$301.1 million during the Reporting Period which was mainly driven by continued strong growth of cordless vacuums across core APAC markets, including Japan, ANZ and South Korea. This growth was partially offset by weaker demand for cleaning appliances in the Chinese mainland market.

During the Reporting Period, others product category recorded a year-on-year growth of 11.9% to approximately US\$153.8 million, as a result of successful launch of new electric fans in APAC market, as well as sales improvement in water purifier and cookware in Chinese mainland market.

OTHER FINANCIAL INFORMATION

Cost of sales

For the year ended December 31, 2025, the cost of sales of the Group was approximately US\$1,125.7 million (2024: US\$1,083.4 million), representing a year-on-year increase of approximately 3.9%. The total cost of sales included the cost of sales on revenue with related parties with approximate amount of US\$85.0 million (2024: US\$183.3 million). After excluding such amount, the cost of sales on sales to third party customers of the Group for the Reporting Period was approximately US\$1,040.7 million (2024: US\$900.1 million), representing a year-on-year increase of approximately 15.6%. Such increase was primarily attributable to increase in sales to third party customers as well as other factors impacting our cost of sales described further below.



Management Discussion and Analysis

The following table sets forth the breakdown of the cost of sales on sales to third party customers of the Group by business segment:

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	(in US\$ million, except percentages)			
Joyoung segment	734.0	70.5	720.8	80.1
SharkNinja APAC segment	306.7	29.5	179.3	19.9
Total cost of sales on sales to third party customers	1,040.7	100.0	900.1	100.0

For the year ended December 31, 2025, the Joyoung segment recorded a total cost of sales on sales to third party customers of approximately US\$734.0 million (2024: US\$720.8 million), representing a year-on-year increase of approximately 1.8%. The increase was in line with the increase in sales of products.

For the year ended December 31, 2025, the SharkNinja APAC segment recorded a total cost of sales on sales to third party customers of approximately US\$306.7 million (2024: US\$179.3 million), representing a year-on-year increase of approximately 71.1%. The increase was primarily attributable to higher sales across markets and higher freight costs.

Gross profit

For the year ended December 31, 2025, the gross profit of the Group was approximately US\$533.9 million (2024: approximately US\$510.2 million), representing a year-on-year increase of approximately 4.6%. The gross profit margin for the Reporting Period was 32.2%, representing an increase of 0.2 percentage point from 32.0% for the year ended December 31, 2024.

After excluding the gross profit with related parties, the gross profit of the Group on sales to third party customers for the Reporting Period was approximately US\$524.3 million (2024: approximately US\$463.1 million), representing a year-on-year increase of approximately 13.2%. The gross profit margin on sales to third party customers for the Reporting Period was 33.5%, representing a decrease of 0.5 percentage point from 34.0% for the year ended December 31, 2024, primarily due to the impact of higher freight cost of SharkNinja APAC segment, while this was partially offset by a higher contribution from SharkNinja products with relatively higher margins within the Group.

Management Discussion and Analysis

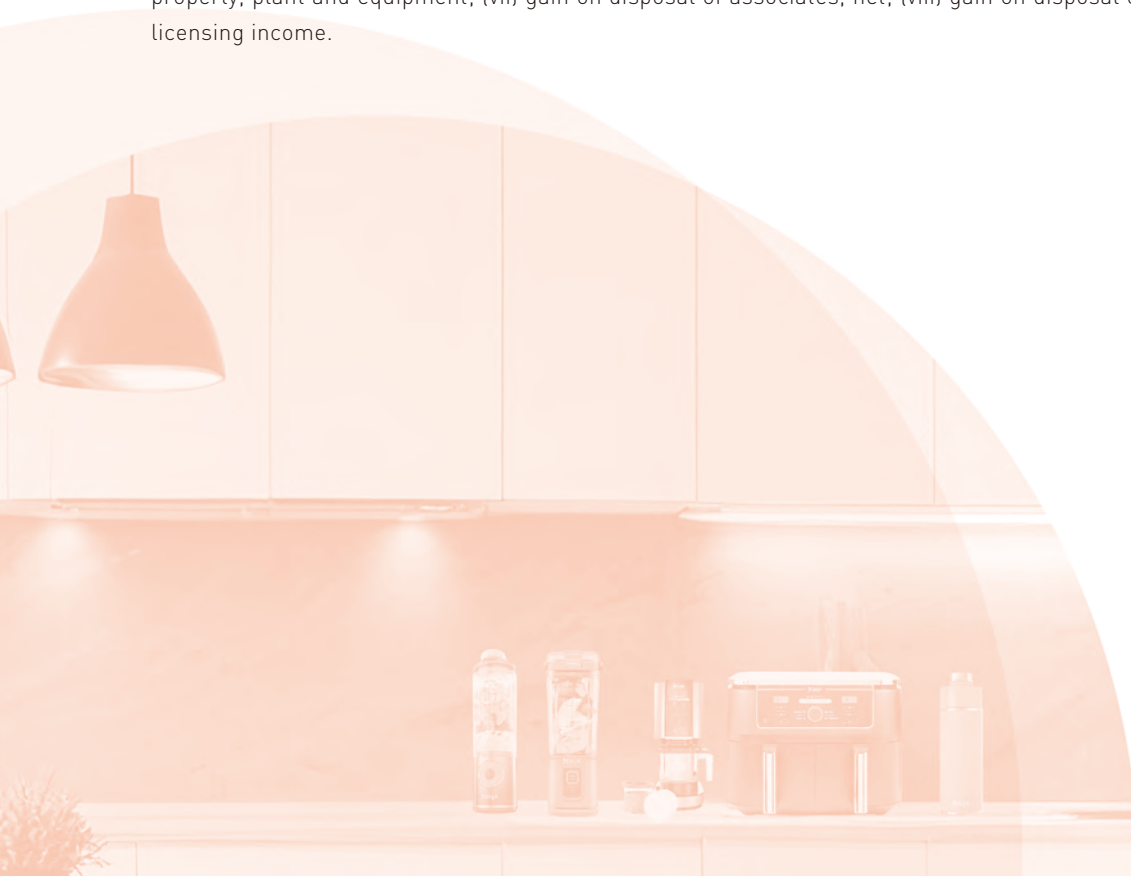
	For the year ended December 31,			
	2025		2024	
	Gross Profit	Gross Margin %	Gross Profit	Gross Margin %
	[in US\$ million, except percentages]			
Joyoung segment	298.4	28.9	300.1	29.4
SharkNinja APAC segment	225.9	42.4	163.0	47.6
Total gross profit on sales to third party customers	524.3	33.5	463.1	34.0

The gross profit margin from sales to third party customers of Joyoung segment recorded a slight decrease, from 29.4% for the year ended December 31, 2024 to 28.9% for the Reporting Period.

The gross profit from sales to third party customers of SharkNinja APAC segment for the Reporting Period increased by 38.6%, and its gross profit margin decreased from 47.6% for the year ended December 31, 2024 to 42.4% for the Reporting Period. The decrease in gross profit margin was primarily due to higher freight cost and competitive headwinds, partially offset by product cost optimization efforts and a more favorable product mix driven by premium new product launches.

Other income and gains

Other income and gains of the Group primarily include (i) gain on financial assets at their fair value; (ii) government grants (mainly relating to research and promotion activities, innovation and patents); (iii) bank interest income; (iv) net rental income from investment property operating leases; (v) foreign exchange differences, net; (vi) gain on disposal of items of property, plant and equipment; (vii) gain on disposal of associates, net; (viii) gain on disposal of a subsidiary; and (ix) brand licensing income.



Management Discussion and Analysis

The following table sets forth the breakdown of the Group's other income and gains:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
Other income		
Bank interest income	11.7	13.1
Net rental income from investment property operating leases	0.9	0.6
Government grants	4.8	6.8
Brand licensing income	-	4.7
Others	1.5	3.4
Subtotal	18.9	28.6
Gains		
Foreign exchange differences, net	3.1	-
Gain on financial assets at fair value through profit or loss, net	-	63.0
- Shares of SharkNinja Group related to stock-based compensation	-	78.6
- Unlisted equity investments	-	(15.6)
Gain on disposal of items of property, plant and equipment	0.1	0.9
Gain on disposal of associates, net	-	1.2
Gain on disposal of a subsidiary	-	9.7
Others	1.2	0.9
Subtotal	4.4	75.7

For the year ended December 31, 2025, other income and gains of the Group was approximately US\$23.3 million (2024: US\$104.3 million), representing a year-on-year decrease of approximately 77.7%. The significant decrease was primarily due to the recognition of a substantial net loss on financial assets at fair value through profit or loss recorded during the Reporting Period, which was included in "other expenses", while a net gain on such financial assets was recorded in the prior year. In addition, gain on disposal of a subsidiary was recorded in the prior year, while no such gain was noted during the Reporting Period.

Selling and distribution expenses

Selling and distribution expenses of the Group primarily consist of (i) trade marketing expenses in relation to marketing and branding expenses primarily at sales channel; (ii) advertising expenses; (iii) staff cost in relation to sales and distribution staff; (iv) warehousing and transportation expenses for sales of products; (v) business development expenses; and (vi) office expenses and others.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's selling and distribution expenses:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
Trade marketing expenses	127.5	116.1
Advertising expenses	112.7	97.9
Staff cost	61.0	54.6
Warehousing and transportation expenses	28.0	33.1
Business development expenses	8.2	9.3
Office expenses and others	17.7	20.5
Total	355.1	331.5

The Group's selling and distribution expenses increased by approximately 7.1% year-on-year from approximately US\$331.5 million for the year ended December 31, 2024 to approximately US\$355.1 million for the Reporting Period, which was mainly due to ongoing and substantial investment in advertising and marketing campaigns by SharkNinja APAC segment aimed at supporting new product launches and enhancing brand awareness across Asia Pacific markets. However, this was partially offset by improved efficiency in trade marketing and strengthened cost discipline across overall selling expenses in the Joyoung segment during the Reporting Period.

Administrative expenses

Administrative expenses of the Group primarily consist of (i) staff cost in relation to product development and administrative staff; (ii) professional service fees primarily consisting of (a) legal fees, (b) tax, audit and advisory fees, and (c) engineering consulting fees; (iii) office expenses; (iv) depreciation and amortization; and (v) other expenses.

The following table sets forth the breakdown of the Group's administrative expenses:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
Staff cost	130.4	186.9
Professional service fees	18.6	15.7
Office expenses	13.6	17.8
Depreciation and amortization	13.3	10.1
Other	27.0	27.9
Total	202.9	258.4

Management Discussion and Analysis

The Group's administrative expenses decreased by approximately 21.5% year-on-year from approximately US\$258.4 million for the year ended December 31, 2024 to approximately US\$202.9 million for the Reporting Period. The decrease was primarily attributable to a decrease in stock-based compensation, and also enhanced cost discipline in the Joyoung segment. However, this was partially offset by increase in the overall administrative expenses of SharkNinja APAC segment, particularly staff cost, to support the rapid expansion of Asia Pacific operations.

Other expenses

Other expenses of the Group primarily consist of (i) loss on financial assets at their fair value, net; (ii) foreign exchange differences, net; (iii) impairment of inventories and prepayment, net; and (iv) other expenses.

The following table sets forth the breakdown of the Group's other expenses:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
Loss on financial assets at fair value through profit or loss, net	9.6	-
– Shares of SharkNinja Group related to stock-based compensation	0.6	-
– Unlisted equity investments	17.2	-
– Financial products	(8.2)	-
Foreign exchange differences, net	-	7.4
Impairment of inventories and prepayment, net	1.7	3.3
Others	1.2	1.4
Total	12.5	12.1

The Group's other expenses increased by approximately 3.3% year-on-year from approximately US\$12.1 million for the year ended December 31, 2024 to approximately US\$12.5 million for the Reporting Period. The increase was primarily due to a net loss on financial assets at fair value through profit or loss during the Reporting Period, as opposed to a net gain recorded in the prior year and included in "other income and gains". However, this was partially offset by net exchange gain recognized during the Reporting Period and included in "other income and gains", as compared with a net exchange loss recorded in the prior year.

Finance costs

Finance costs of the Group primarily represent (i) interest expenses on bank loans; (ii) interest expenses on lease liabilities; (iii) amortization of deferred finance costs, representing amortization of various fees associated with the bank loans; and (iv) other finance costs.

Management Discussion and Analysis

The following table sets forth the breakdown of the Group's finance costs:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
Interest on bank loans	1.5	–
Interest on lease liabilities	0.8	0.5
Amortization of deferred finance costs	0.1	1.2
Other finance costs ⁶	0.4	0.5
Total	2.8	2.2

Finance costs of the Group increased by approximately 27.3% year-on-year from approximately US\$2.2 million for the year ended December 31, 2024 to approximately US\$2.8 million for the Reporting Period. The increase was primarily due to higher bank loan interest incurred during the Reporting Period as the interest expense in the prior year was minimal given that bank borrowings were drawn down toward the end of the prior year.

Income tax

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (2024: 25%) on their respective taxable income. As at December 31, 2025, three of the Group's entities (2024: three) obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates or corporate income tax exemptions.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group (2024: nil) which is a qualifying entity under the two-tiered profits tax rates regime.

Income tax expense of the Group increased by approximately 390.9% year-on-year from tax credit of approximately US\$1.1 million for the year ended December 31, 2024 to tax charge of approximately US\$3.2 million for the Reporting Period.

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. As at December 31, 2025, Pillar Two legislation has been in effect in most jurisdictions in which the Group operates.

⁶ Other finance costs primarily include transaction fees for bank loans.

Management Discussion and Analysis

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments and evaluate the potential future impact on its financial statements.

Net profit

As a result of the foregoing reasons, net profit decreased by approximately 313.6% from approximately US\$8.8 million for the year ended December 31, 2024 to net loss of approximately US\$18.8 million for the Reporting Period.

Non-IFRS measures

To supplement the Group's consolidated statements of profit or loss which are presented in accordance with IFRS, the Group also uses adjusted net profit, EBITDA and adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. The Group believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provide useful information to potential investors and management in facilitating a comparison of the Group's operating performance from period to period by eliminating potential impacts of certain items that do not affect the Group's ongoing operating performance, including expenses arising from the acquisition of SharkNinja and the reorganization (the "**Reorganization**") in preparation for the global offering of the Company in 2019 (the "**Global Offering**"), and non-operational or one-off expenses and gains (each without considering tax effect). Such non-IFRS measures allow investors to consider metrics used by the Group's management in evaluating the Group's performance. From time to time in the future, there may be other items that the Group may exclude in reviewing the Group's financial results. The use of the non-IFRS measures has limitations as an analytical tool, and it should not be considered in isolation from, or as a substitute for or superior to analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies.

Management Discussion and Analysis

The following table shows the Group's adjusted net profit, EBITDA and adjusted EBITDA:

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
(Loss)/profit for the year	(18.8)	8.8
<i>Add:</i>		
Non-recurring items and items not related to the Company's ordinary course of business	49.9	(1.7)
Stock-based compensation	41.0	99.5
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	(0.1)	(11.8)
Loss/(gain) on financial assets at fair value through profit or loss, net	9.6	(63.0)
– Shares of SharkNinja Group related to stock-based compensation	0.6	(78.6)
– Unlisted equity investments	17.2	15.6
– Financial products	(8.2)	–
Sourcing service income ⁷	(5.9)	(38.8)
Product development and transitional service expenses ⁸	8.4	5.0
Exchange (gain)/loss	(3.1)	7.4
Adjusted net profit	31.1	7.1
Attributable to:		
Owners of the parent	21.6	2.9
Non-controlling interests	9.5	4.2
	31.1	7.1

⁷ The sourcing service income represented the fee charged by the Group on value-added sourcing services provided to SharkNinja Non-APAC business over a transitional period from July 31, 2023 to December 31, 2025. For more details, please refer to the announcement of the Company dated July 31, 2023 and the circular of the Company dated September 18, 2023.

⁸ Such expenses represented the transition service provided by SharkNinja Non-APAC business to the Group, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, for a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcement of the Company dated July 31, 2023.

Management Discussion and Analysis

	For the year ended December 31,	
	2025	2024
	(in US\$ million)	
(Loss)/profit before tax	(15.6)	7.7
<i>Add:</i>		
Finance cost	2.8	2.2
Depreciation and amortization	24.1	18.9
Bank interest income	(11.7)	(13.1)
(EBITDA loss)/EBITDA	(0.4)	15.7
<i>Add:</i>		
Non-recurring items and items not related to the Company's ordinary course of business	49.9	(1.7)
Stock-based compensation	41.0	99.5
Gain on disposal of property, plant and equipment, investment property, associates and subsidiaries	(0.1)	(11.8)
Loss/(gain) on financial assets at fair value through profit or loss, net	9.6	(63.0)
– Shares of SharkNinja Group related to stock-based compensation	0.6	(78.6)
– Unlisted equity investments	17.2	15.6
– Financial products	(8.2)	–
Sourcing service income ⁹	(5.9)	(38.8)
Product development and transitional service expenses ¹⁰	8.4	5.0
Exchange (gain)/loss	(3.1)	7.4
Adjusted EBITDA	49.5	14.0

⁹ The sourcing service income represented the fee charged by the Group on value-added sourcing services provided to SharkNinja Non-APAC business over a transitional period from July 31, 2023 to December 31, 2025. For more details, please refer to the announcement of the Company dated July 31, 2023 and the circular of the Company dated September 18, 2023.

¹⁰ Such expenses represented the transition service provided by SharkNinja Non-APAC business to the Group, including developing market tailored products for Asia Pacific regions for a term of three years (from July 31, 2023 to July 31, 2026) and providing certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services, for a term of two years (from July 31, 2023 to July 31, 2025). For more details, please refer to the announcement of the Company dated July 31, 2023.

Management Discussion and Analysis

The non-IFRS measures used by the Group adjusted for, among other things, (i) stock-based compensation, (ii) gain or loss on disposal of property, plant and equipment, investment property, associates and subsidiaries, (iii) gain or loss on financial assets at fair value through profit or loss, net, (iv) sourcing service income, (v) product development and transitional service expenses and (vi) exchange loss or gain which may be considered recurring in nature but are neither considered by the Group as related to the Group's ordinary course of business nor indicative of the Group's ongoing core operating performance. Therefore, the Group believes that these items should be adjusted for when calculating adjusted EBITDA and adjusted net profit, as applicable, in order to provide potential investors with a complete and fair understanding of the Group's core operating results and financial performance, so that potential investors can assess the Group's underlying core performance undistorted by items unrelated to the Group's ordinary course of business operations, especially in (i) making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and (ii) making comparisons with other comparable companies with similar business operations but without any material acquisition.

Liquidity and financial resources

Treasury management

Our treasury function undertakes the responsibility of cash management, liquidity planning and control, procurement of financing which is cost-efficient to the Group, management of credit profile as well as mitigation of financial risks such as interest rate and foreign exchange fluctuations. The design of our treasury function aims at aligning with the long-term and short-term needs of the Group and conforming with good governance standards.

During the Reporting Period, the Group funded its operations, working capital, capital expenditure and other capital requirements primarily from cash generated from operations.

As of December 31, 2025, the Group had cash and cash equivalents of approximately US\$556.3 million as compared to US\$359.6 million as of December 31, 2024. The cash and cash equivalents of the Group are mainly denominated in HK\$, RMB and US\$.

As of December 31, 2025, the Group's total borrowings amounted to approximately US\$80.0 million as compared to US\$15.0 million as at December 31, 2024. As at December 31, 2025, certain of the Group's borrowings were denominated in RMB while others were denominated in US\$, with part of borrowings bearing floating interest rates and the remaining borrowings bearing fixed interest rates.

The table below sets forth a breakdown of the bank borrowings of the Group as of December 31, 2025:

	As of December 31, 2025 (in US\$ million)
Interest-bearing bank borrowings (current portion)	50.0
Interest-bearing bank borrowings (non-current portion)	30.0
Total	80.0

Management Discussion and Analysis

The table below sets forth the aging analysis of the repayment terms of interest-bearing borrowings as of December 31, 2025:

	As of December 31, 2025 (in US\$ million)
Repayable within one year	50.0
Repayable within two years	30.0
Repayable within three to five years	-
Total	80.0

As of December 31, 2025, the Group had total bank facilities of approximately US\$150.0 million (2024: US\$100.0 million), of which bank facilities of approximately US\$70.0 million were unutilized (2024: US\$85.0 million).

Inventory

The Group's inventory decreased by 8.6% from approximately US\$154.1 million as of December 31, 2024 to approximately US\$140.8 million as of December 31, 2025. Such decrease was mainly due to lower inventory levels maintained by the Joyoung segment. Inventory turnover days¹¹ increased from 46 days in 2024 to 48 days in 2025.

Trade and bills receivables

The Group's trade receivables increased by 12.1% from approximately US\$399.2 million as of December 31, 2024 to approximately US\$447.6 million as of December 31, 2025. Trade receivables turnover days¹² increased from 90 days in 2024 to 98 days in 2025.

Trade and bills payables

The Group's trade payables increased by 6.4% from approximately US\$522.3 million as of December 31, 2024 to approximately US\$555.5 million as of December 31, 2025. Trade payables turnover days¹³ increased from 168 days in 2024 to 175 days in 2025.

¹¹ Average inventories equal inventories at the beginning of the period plus inventories at the end of the period, divided by two. Turnover of average inventories equals average inventories divided by cost of sales and multiplied by the number of days in the period.

¹² Average trade and bills receivables equal trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period, divided by two. Turnover of average trade and bills receivables equals average trade and bills receivables divided by revenue and then multiplied by the number of days in the period.

¹³ Average trade and bills payables equal trade and bills payables at the beginning of the period plus trade and bills payables at the end of the period, divided by two. Turnover of average trade and bills payables equals average trade and bills payables divided by cost of sales and then multiplied by the number of days in the period.

Management Discussion and Analysis

Gearing ratio

As of December 31, 2025, the Group's gearing ratio (calculated as the total debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity) was 13.8%, representing an increase of 9.1 percentage points as compared with 4.7% as of December 31, 2024. The increase was primarily attributable to increase in bank borrowings during the Reporting Period.

Foreign exchange risk

The Group's currency exposures arise from sales or purchases by business units in currencies other than their respective functional currencies.

The Group manages its foreign exchange risk by closely monitoring movements in foreign currency exchange rates and, where considered appropriate, entering into hedging arrangements. As disclosed in the Company's announcements dated March 28, 2025, July 18, 2025 and January 27, 2026, the Group entered into foreign exchange forward contracts to hedge certain foreign currency exposures. The Group will continue to review its foreign exchange exposure from time to time and adopt suitable hedging measures where appropriate.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. As certain of the borrowings of the Group are denominated in US\$, the interest rates on its borrowings are primarily affected by the Secured Overnight Financing Rate ("SOFR").

The Group manages its interest rate risk by closely monitoring and regulating the debt portfolio of the Group and will consider entering into interest rate swap contracts should the need arise.

Charge on assets

As of December 31, 2025, certain equity interests of the Group's subsidiaries had been pledged to secure part of the Group's borrowings, while no deposits were pledged to secure such borrowings.

As at December 31, 2025, bank deposits of US\$63.2 million (2024: US\$70.1 million) and bills receivables of US\$35.1 million (2024: US\$67.0 million) of the Group were pledged to secure bills payable.

Capital expenditures

The capital expenditure of the Group consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary. For the Reporting Period, capital expenditures of the Group amounted to approximately US\$29.0 million (2024: US\$26.6 million).

Contingent liabilities

As of December 31, 2025, the Group did not have any significant contingent liabilities.

Management Discussion and Analysis

Capital commitments

The Group had the following capital commitments at the end of the Reporting Period:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Contracted, but not provided for:		
Leases	757	-
Molds	624	-
Total	1,381	-

Future plans for material investments or capital assets

Save as disclosed herein, as of December 31, 2025, the Group did not have any future plans for material investments or capital assets.

Management Discussion and Analysis

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks	Description	Mitigating actions
Business and Operation Risk	The Group operates in highly competitive global markets subject to rapid technological change. Failure to manage frequent product introductions and transitions, maintain a trusted brand image, or execute growth strategies effectively could reduce competitiveness and adversely affect business performance and prospects.	We employ a structured risk management framework with designated risk owners and a risk register reviewed by the Audit Committee annually. We invest continuously in R&D powered by deep consumer insights, strengthen brand equity through targeted marketing, and monitor execution quality through regular business reviews to respond swiftly to market shifts.
Market Risk	Demand in small home appliances can be cyclical and category-specific; industry data shows pressure from weaker category demand and intensifying competition, which may compress pricing and market share in China and export markets.	We focus resources on defendable “moat” products, accelerate iteration of mid-to-high-end ranges, step up user-driven innovation and brand investment effectiveness reviews, and rebalance channel and country mix to de-risk single-market exposure.
Supply Chain Risk	The Group’s global supply chain is exposed to disruption from trade or import protection policies (including tariffs), geopolitical tensions, raw material price volatility and logistics constraints, which could increase production costs and impair product delivery timelines.	We maintain a flexible, centralised global supply chain with a diversified supplier base and multi-source procurement for key components. We proactively monitor geopolitical and policy developments, leverage supply chain synergies with the SharkNinja Group, and employ contingency inventory planning to mitigate disruption risk.
Distributor Risk	The Group relies on third-party distributors for a significant portion of sales across APAC markets and does not exercise complete control over their retail practices, pricing execution or end-consumer service levels, which may affect brand perception and sales outcomes.	We establish clear brand and trade guidelines for distributors and conduct regular performance reviews. We actively strengthen direct sales teams and O2O digital marketing infrastructure to reduce concentration risk, and foster long-term cooperative relationships through regular communication and joint business planning.

Management Discussion and Analysis

Principal risks	Description	Mitigating actions
Credit Risk	Sales concentrated in distributors and retail chains expose the Group to counterparty default, extended DSO and chargebacks, which can impact liquidity and earnings.	We set credit limits by counterparty, enhance real-time AR ageing dashboards and reconciliation with distributors, tighten terms where risk rises, use credit insurance or collateral where appropriate and escalate recovery actions promptly.
Interest Rate Risk	Floating-rate borrowings and deposits create exposure to rate volatility that can increase finance costs or reduce interest income.	We monitor net interest exposure under Board-approved Treasury Policy, maintain an appropriate fixed-floating mix within limits and consider interest-rate swaps or caps where cost-effective, alongside disciplined liquidity planning.
Foreign Exchange Rate Risk	Multi-currency revenues, purchases and intercompany flows expose the Group to translation and transaction risk, particularly USD, CNY and other APAC currencies, which can drive earnings volatility.	We deploy natural hedging through matching currency cash flows and, where appropriate, execute rolling FX forwards under defined limits, supported by forecast visibility and hedge effectiveness review.
Regulatory and Legal Compliance Risk	Legal and regulatory risk refers to the potential consequences of non-compliance with laws and regulations, including litigation, investigations, or disputes. Such breaches could lead to additional costs from civil and/or criminal proceedings, as well as reputational damage to the Group.	Management closely monitors changes and developments in the regulatory environment and ensures that adequate resources are allocated to implement any mandatory changes. The Group also seeks legal or other specialist advice when necessary to mitigate these risks effectively.

Management Discussion and Analysis

PROSPECT AND STRATEGY

Growth Strategies

The Group is committed to achieving sustainable growth through the following strategies:

- Develop localized products tailored to consumer needs in different regions through in-depth consumer insights;
- Develop and commercialize innovative small home appliance products and new categories, combining cutting-edge technology with appealing designs;
- Expand sales network through direct operations or regional distributor partnerships, enabling flexible market entry;
- Leverage emerging media such as social media to enhance brand awareness and market influence;
- Maximize synergies between the Joyoung and SharkNinja APAC; and
- Pursue potential strategic partnerships and high-quality opportunity for mergers and acquisitions.

Joyoung Segment

Joyoung, as a leading brand in the domestic small household appliance industry, will continue to focus on its core business of small household appliances to:

- focus on users' needs to deeply explore the development opportunities of advantageous products and major just-needed products;
- drive innovation through deeper consumer insight and improve the success rate of product development; and
- provide users with high-quality, long-term and high-retention services with better product quality.

Joyoung continues to deepen its commitment to technological innovation. Each technological breakthrough and product innovation is driven by in-depth insights into healthy, quality living and a focus on craftsmanship. While consistently launching flagship products that lead industry trends, Joyoung has also strengthened the application of technology in entry-level price segments, achieving comprehensive price coverage and differentiated competition. These efforts are aimed at enhancing brand NPS value, market share and product penetration.

Joyoung remains committed to promoting health and wellness through innovative technology and products to bring convenience to the "Home Kitchen" of users, while also addressing nutritional needs for over 600,000 rural children through 1,743 "Charity Kitchens". Looking ahead, Joyoung will continue to focus on its core business, building distinctive brand value through its "Home Kitchen", "Charity Kitchen" and "Space Kitchen" initiatives, while continuing to deliver long-term value to shareholders and society.



Management Discussion and Analysis

SharkNinja APAC Segment

SharkNinja APAC will focus on the development and expansion of business in Asia Pacific region (except Chinese mainland), with a strategic focus on the top cities in Asia Pacific region, and selling high-quality innovative small household appliances to the millions of households. Capabilities in consumer insights are of the key basis of the success of our products. We will launch selected new products and new categories through various marketing initiatives to expand sales in the three major markets. In addition, we are gradually entering new Southeast Asia markets to keep the momentum for sustainable growth.

The growth strategy for the SharkNinja APAC focuses on three dimensions, namely the growth of existing categories, the launch of new categories and the expansion to new markets:

- Growth of existing categories: we will focus on winning in core categories and continuously launch new products in existing categories targeted at the demand of local markets, such as cordless vacuum, food preparation appliances and air fryers;
- Launch of new categories: we will continue to launch new categories in the Asia Pacific market that have proven successful in other markets around the world, such as outdoor category, home environment category, personal care category, frozen treats category and beauty care category; and
- Expansion to new markets: we are planning to launch Shark and Ninja-branded products in other major cities in the Asia Pacific region.

SharkNinja APAC endeavored to solve consumer problems and through that we strive to positively impact people's lives in every home in Asia Pacific region. Our strategy is rooted in deep consumer understanding to enable us to provide the tailored product offerings at optimal value for target users.

Our growth strategy is focusing on meeting the needs of our consumers, winning in core categories, and identifying opportunities for expansion, in both product categories and geographical markets. We believe this three-pronged approach will drive sustainable long-term growth of SharkNinja APAC.

Management Discussion and Analysis

Global macro review and outlook

In 2025, global raw material markets exhibited divergent trends, with the overall impact on the Group's cost structure remaining manageable. During the year, prices of major non-ferrous metals fluctuated and trended upward. In particular, copper prices recorded a notable cumulative increase, driven by overseas policy expectations and supply demand mismatches, while aluminum prices also moved higher, supported by relatively tight supply conditions. In contrast, prices of bulk commodities such as steel and plastic resins remained relatively stable.

In response to the complex raw material market environment, the Group continued to optimize its supply chain management, which effectively mitigated cost volatility. Although prices of certain raw materials remained elevated toward the end of the year and into 2026, potentially exerting pass through pressure on procurement costs, the Group will continue to refine its procurement strategies. Measures such as hedging, enhanced supply chain collaboration, and ongoing product mix upgrades are expected to help contain the impact of cost fluctuations on profitability within a reasonable range.

From a demand perspective, the small household appliance market in the Asia Pacific region demonstrated steady development in 2025, with increasingly evident structural differentiation across markets. In the Chinese mainland market, policy support served as a key driver of demand, effectively stimulating replacement demand within the existing market base. In other Asia Pacific markets, demand remained resilient, supported by ongoing urbanisation, the expansion of the middle class population, and continued improvements in e-commerce infrastructure.

Looking ahead to 2026, the Chinese mainland market is expected to sustain a moderate recovery momentum, while emerging markets in the Asia Pacific region are expected to continue to serve as important growth drivers. Overall, opportunities and challenges are expected to coexist in 2026, and the ability to accurately capture trends in product innovation and the pace of channel transformation will be critical to achieving market success.



Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. WANG Xuning (王旭寧), aged 57, has been the Chairman and Chief Executive Officer of the Company since June 25, 2019, and the executive Director since July 2018. He has been the Chairman of the Strategy Committee and Nomination Committee of the Company since the listing date of the Company. He stepped down as the Chief Executive Officer of the Company with effect from March 26, 2026. Mr. WANG has held several positions within the Group, including that he served as the Chairman of Joyoung from September 2007 to December 2022, and the General Manager and the President of Joyoung from September 2007 to March 2019. In the meanwhile, Mr. WANG is currently the chairman of the board of SharkNinja, Inc.. He was the Global Chief Executive Officer of the SharkNinja SPV from September 2019 to July 2024 and a director of the SharkNinja Sales Company before completing a significant strategic restructuring of the Group, and served as a director of SharkNinja Operating LLC from April 2019 to July 2023. In 1994, Mr. WANG founded our Group by first conducting research and development on a fully automatic soymilk maker. Mr. WANG received several awards and recognitions for his industry expertise, including being awarded the Ernst & Young (China) Entrepreneur Award in 2012, being listed as one of the “Top Ten Innovative Figures in Household Appliance Industry of China” by people.com.cn in December 2008 and he received the Highest Technology Award of Jinan in 2011. Mr. WANG was recognized as a senior engineer in October 1999.

Mr. WANG received a bachelor’s degree in electric traction and transmission control from Beijing Jiaotong University (formerly known as North Jiaotong University) in China in July 1991, and a Master of Business Administration from China Europe International Business School in China in October 2003.

Ms. HAN Run (韓潤), aged 46, has been an executive Director and the Chief Financial Officer since June 25, 2019 and the Chief Executive Officer of the Company since March 26, 2026. She has been a member of the Remuneration Committee of the Company since the listing date of the Company and a member of the Nomination Committee of the Company since March 27, 2025. Ms. HAN has held several positions within the Group, including serving as the Vice Chairwoman of Joyoung since April 2019, the Board Secretary and Vice General Manager of Joyoung from March 2015 to March 2019, and the Vice President of Joyoung from March 2007 to March 2015. Ms. HAN has ceased to serve as a director of the SharkNinja SPV after completing a significant strategic restructuring of the Group. In addition, Ms. HAN also holds several positions within non-commercial organizations. She has served as the Vice President of China Household Electrical Appliances Association since December 2015 and a member of Shandong Jinan Committee of the Chinese People’s Political Consultative Conference (CPPCC) since January 2022. She served as a member of the eighth and ninth sessions of the Huaiyin District Committee of the CPPCC from 2012 to January 2022. Ms. HAN was granted the “New Fortune Gold Medal Board Secretary” by New Fortune magazine in April 2019, the “Industry Elite Award” at the 30th anniversary ceremony of the China Household Electrical Appliances Association in December 2018, the “Advanced Individual of Enterprise Intellectual Property” by the State Intellectual Property Office in December 2016, as well as the “First Award of the Science and Technology Progress of China Light Industry Council” by the China Light Industry Council in 2014.

Ms. HAN received an Executive Master of Business Administration from Guanghua School of Management of Peking University in China in January 2014.

Biographies of Directors and Senior Management

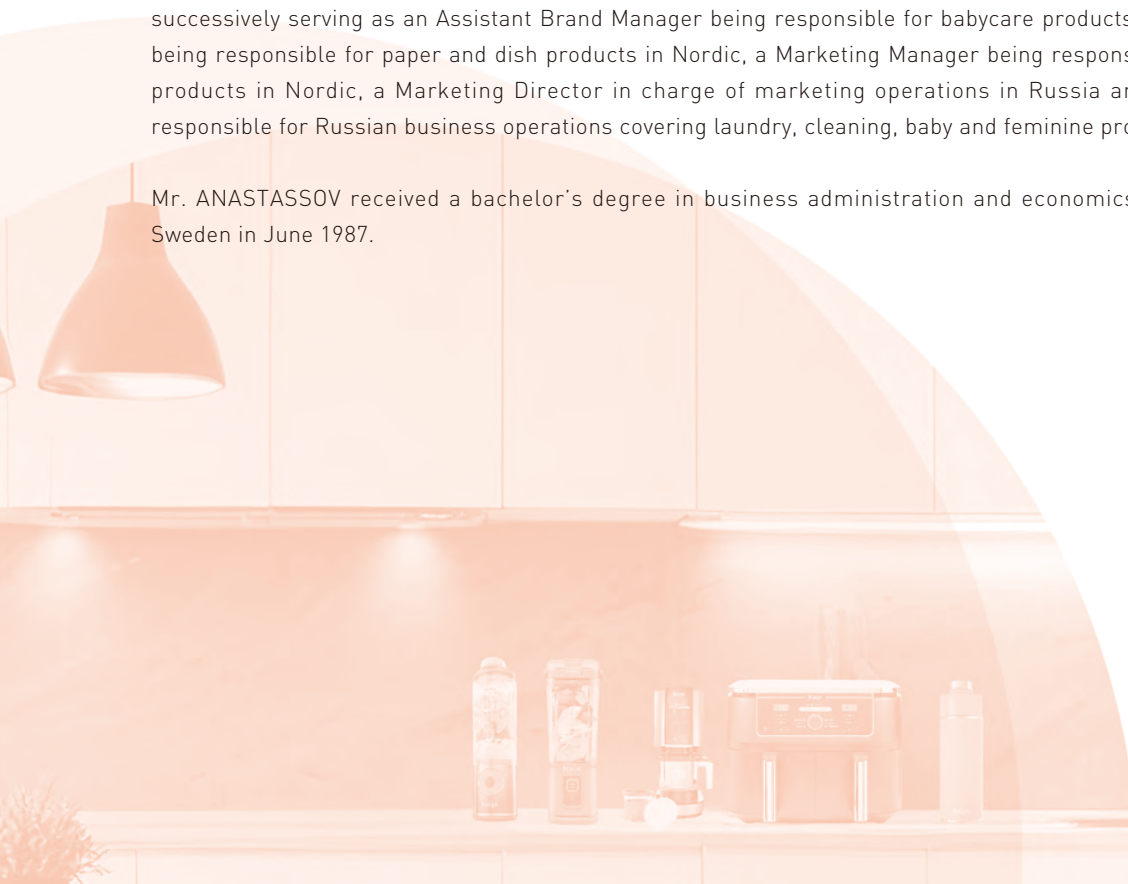
Ms. HUANG Shuling (黃淑玲), aged 62, has been an executive Director since June 25, 2019 and resigned as an executive Director with effect from March 26, 2026. Ms. HUANG has also been an executive director of Shanghai Lihong since November 2010, and the Chairwoman and General Manager of Shanghai Lihong since December 2018. She served as the Vice Chairwoman of Joyoung from September 2007 to March 2019, and the Chairwoman of Shandong Joyoung Small Appliance Limited from July 2002 to September 2007. Ms. HUANG co-founded our Group in October 1994. She has also held several other positions within non-commercial organizations, including serving as a standing committee member of the thirteenth session of the Shandong Committee of the CPPCC (政協山東省委員會) and Vice Chairwoman of Shandong General Chamber of Commerce (山東省總商會). She has also served as a standing committee member of Executive Committee of All-China Federation of Industry and Commerce (中華全國工商業聯合會執行委員會) and Vice Chairwoman of the Association of Industry and Commerce of Shandong (山東省工商業聯合會).

Ms. HUANG received a Bachelor of Economics in planning statistics from Shandong University of Finance and Economics (山東財經大學) (formerly known as Shandong Economic School (山東經濟學院)) in Shandong, China in July 1987, an Executive Master of Business Administration in senior management business administration from Cheung Kong School of Business (長江商學院) in China in September 2007 and a Doctor of Philosophy in Economics from School of Economics and Business Administration, Beijing Normal University (北京師範大學經濟與工商管理學院) in China in January 2013.

NON-EXECUTIVE DIRECTOR

Mr. Stassi Anastas ANASTASSOV, aged 64, has been a non-executive Director since June 25, 2019 and a member of the Strategy Committee of the Company since the Listing Date. He has served as a Senior Consultant in Total Shareholder Return Limited, a private equity-focused advisory firm, since July 2015. He served as the U.S.A. Global President and Chief Executive Officer of Duracell Company, a former division of Procter & Gamble ("P&G"), from November 2010 to January 2015. From 2001 to November 2010, he served as a Vice President at P&G, being responsible for baby care products, feminine care products and snacks in the Central Europe, Eastern Europe, Middle East and Africa markets. From July 1999 to June 2001, he was a General Manager of P&G responsible for Near East Markets (including Lebanon, Jordan, Syria and Israel) and the Eastern Europe market (Moscow). From May 1987 to August 1999 he held different positions within P&G, successively serving as an Assistant Brand Manager being responsible for baby care products in France, a Brand Manager being responsible for paper and dish products in Nordic, a Marketing Manager being responsible for laundry and cleaning products in Nordic, a Marketing Director in charge of marketing operations in Russia and a General Manager being responsible for Russian business operations covering laundry, cleaning, baby and feminine products.

Mr. ANASTASSOV received a bachelor's degree in business administration and economics from Uppsala University in Sweden in June 1987.



Biographies of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yuan DING, aged 56, has been an independent non-executive Director, the Chairman of the Audit Committee, a member of the Nomination Committee and a member of the Strategy Committee of the Company since August 29, 2022. He served as a tenured professor in accounting and management control at the HEC School of Management in Paris, France from September 1999 to September 2006. He has been at China Europe International Business School since September 2006 and currently serves as the Cathay Capital Chair Professor in Accounting. Mr. DING has served as an independent non-executive director of Man Wah Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1999) and Health and Happiness (H&H) International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1112) since December 2016 and since January 2023, respectively. He has been a non-executive director of Saurer Intelligent Technology Co. Ltd, a company listed on the Shanghai Stock Exchange (Stock code: 600545), since May 2018. Since January 2021, Mr. DING has also served as an independent non-executive director of Shanghai Large & Kunchi Group Inc., a private consumer goods company. Mr. DING was an independent non-executive director of Red Star Macalline Group Corporation Ltd. (Stock code: 1528) from March 2012 to November 2018 and Landsea Green Properties Co., Ltd. (Stock code: 106) from July 2013 to May 2019, respectively, both of which are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Bluestar Adisseo Company, a company listed on the Shanghai Stock Exchange (Stock code: 600299), from August 2018 to September 2024. He was an independent non-executive director of Jaccar Holdings, a private investment company, from July 2011 to August 2021. Mr. DING was an independent director and the chairman of the audit committee of Anhui Gujing Distillery Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock code: 000596), from June 2008 to June 2011 and at TCL Corporation, a company listed on the Shenzhen Stock Exchange (Stock code: 000100), from June 2008 to June 2014. From July 2011 to June 2015, he was a director and the chairman of the audit committee of MagIndustries Corp., a company listed on the Toronto Stock Exchange (Stock code: MAA). Mr. DING has more than twenty years of experience in teaching and researching financial accounting, financial statement analysis, corporate governance and mergers and acquisitions.

Mr. DING graduated with a Doctor of Philosophy degree in management science from the College of Business Administration, Bordeaux IV University in France in December 2000. He also obtained a master's degree in Enterprise Administration from the University of Poitiers, France in June 1995.

Mr. YANG Xianxiang (楊現祥), aged 59, has been an independent non-executive Director since October 11, 2019, and a member of the Strategy Committee, Audit Committee, Nomination Committee and Remuneration Committee of the Company since the listing date of the Company, and re-designated from a member to the chairman of the Remuneration Committee since July 30, 2023. Mr. YANG has been an executive director and the chairman of SITC International Holdings Co., Ltd ("SITC"), a company listed on the Stock Exchange (Stock Code: 1308) since January 2008 and March 2024, respectively and served as the chief executive officer from 2008 to March 2024. He has served as a non-independent director of Shanghai Fortune Techgroup Co., Ltd, a company listed on the Shenzhen Stock Exchange (Stock Code: 300493), since May 18, 2021. From July 1987 to July 1997, Mr. YANG served for Lufeng Shipping Co., Ltd. Mr. YANG has served successively as general manager, executive vice president, president, and chief executive officer of SITC since 1997. He has over 30 years of experience in the shipping industry through his employment in the shipping companies.

Mr. YANG received an Executive Master of Business Administration from China Europe International Business School (中歐國際工商學院) in China in April 2006.

Biographies of Directors and Senior Management

Mr. SUN Zhe (孫哲), aged 60, was appointed as a non-executive Director and a member of the Strategy Committee of the Company on April 29, 2022, and has been re-designated as an independent non-executive Director and appointed as a member of the Audit Committee and Remuneration Committee of the Company since July 30, 2023. He is currently the co-director of China Program and senior visiting scholar at the School of International and Public Affairs of Columbia University. He is the founding director of the Center for U.S.-China Relations at Tsinghua University. He was a professor of International Affairs and doctoral supervisor of Tsinghua University from 2006 to 2016 and a professor and deputy director of the Center for American Studies at Fudan University from 2000 to 2006. Mr. SUN has taught at the East Asian Institute, Columbia University and Ramapo College, New Jersey. He is the author and editor of twenty-three books on comparative politics and U.S.-China relations. Mr. SUN has served as an independent non-executive director of China Resources Land Limited [Stock code: 1109] since April 2017 and served as an independent non-executive director of MGM China Holdings Limited [Stock code: 2282] from September 2010 to May 2021. The shares of these companies are all listed on The Stock Exchange of Hong Kong Limited.

Mr. SUN obtained a Bachelor's and a Master's degree in law from Fudan University in 1987 and 1989 respectively and obtained a Doctor's degree in political science and international relations from Columbia University in 2000. He also obtained a Master of Arts degree majoring in political science from Indiana State University in 1992.

Mr. Maximilian Walter CONZE, aged 56, has been an independent non-executive Director, a member of the Nomination Committee and a member of the Strategy Committee of the Company since May 22, 2024. He served in top management positions in several multinational corporations including Dyson and The Procter & Gamble Company (P&G), and now he is an active entrepreneur in a number of technology-led start-ups and advises private equity and growth funds. Mr. CONZE has deep global experience in how to transform businesses, industries and organizations, create technology disruption and rapid growth. He is fluent across the U.S., Asia and Europe, private and public settings, and organic to acquisitive growth.

Mr. CONZE received his bachelor's degree in business administration from Columbus State University in the U.S. in June 1991.

SENIOR MANAGEMENT

Mr. WANG Xuning (王旭寧), aged 57, is currently the Chairman and an executive Director of the Company. See “– Directors – Executive Directors” above.

Ms. HAN Run (韓潤), aged 46, is currently an executive Director, the Chief Executive Officer and the Chief Financial Officer of the Company and the Vice Chairwoman of Joyoung. See “– Directors – Executive Directors” above.

Ms. YANG Ningning (楊寧寧), aged 47, has served as the President and a director of the board of Joyoung since March 2019 and October 2010 respectively, and has been re-designated to the Chairwoman of Joyoung since December 2022. She had also served as the Vice President of Joyoung from April 2014 to March 2019, and the Chief Financial Officer of Joyoung from September 2007 to October 2013.

Ms. YANG received the Executive Master of Business Administration from the City University of Hong Kong in October 2019.

Mr. KAN Jiangang (關建剛), aged 44, has served as the Chief Financial Officer of Joyoung since March 2022. He also served as Financial Director of the Company from July 2020 to February 2022, as overseas Financial Director of Tianqi Lithium Corporation from April 2018 to February 2020 and had successively held several financial positions from Financial Manager to Financial Director in Regional Business Units of Robert Bosch Group from March 2009 to March 2018.

Mr. KAN received a Master of Professional Accounting from Monash University in Victoria, Australia in December 2007, and qualified as a Chartered Accountant from The Institute of Chartered Accountants in Australia in February 2013.

Report of the Directors

The Board is pleased to present this report and the audited financial statements of the Group for the year ended December 31, 2025.

The Company was incorporated in the Cayman Islands on July 26, 2018 as an exempted company with limited liability. The Shares were listed on the Main Board of the Stock Exchange on December 18, 2019.

SHARE CAPITAL

Details of the share capital of the Company during the year ended December 31, 2025 are set out in note 34 to the financial statements.

PRINCIPAL BUSINESSES AND ACTIVITIES

The Group is a global leader in high-quality, innovative small household appliances with a number of successful and trusted brands worldwide, including Shark, Ninja and Joyoung. After completion of significant strategic restructuring, the Group's business is rooted in the PRC and the Asia Pacific regions by catering to local needs in different markets.

BUSINESS REVIEW

A fair review of the Group's business is set out in the sections headed "Chairman's Statement", "Business Overview", "Financial Review" and "Prospect and Strategy" of this report.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 22, 2026. The notice of the Annual General Meeting will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com) and provided to the Shareholders who wish to receive a printed copy of the corporate communication in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 19, 2026 to May 22, 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on May 18, 2026. The record date for the purpose of ascertaining Shareholders' right to attend and vote at the Annual General Meeting will be on May 22, 2026.

Report of the Directors

FINAL DIVIDEND

For the year ended December 31, 2025, the Group did not achieve profitability. To support strategic investments in market expansion, localized product development and team building, while ensuring the Company's stable operations and long-term development, the Board does not recommend the payment of final dividend for the year ended December 31, 2025 (2024: nil). The Group will concentrate resources on enhancing core competitiveness, striving to reward Shareholders with improved future performance.

Moving forward, the Company will advance profit distribution at an appropriate time, subject to profitability, cash flow levels, and strategic investment requirements, whilst ensuring normal operations and long-term development are met.

As of December 31, 2025, no Shareholder has waived or agreed to waive any dividends.

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. SUN Zhe, has discussed with the external auditor of the Company (the "Auditor"), Ernst & Young, and reviewed the Group's consolidated financial information for the year ended December 31, 2025, including the accounting principles and practices adopted by the Group.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company during the year ended December 31, 2025 are set out in note 45 of the financial statements.

As at December 31, 2025, the Company has no reserves available for distribution.

DONATIONS

During the year ended December 31, 2025, the Company and its subsidiaries made charitable donations of approximately US\$669,000 (2024: US\$1,560,000).



Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the Group's largest customer accounted for 13% and the five largest customers accounted for 28% of the Group's total revenue. For the year ended December 31, 2025, purchases from the Group's largest supplier accounted for 7% and the five largest suppliers accounted for 22% of the Group's total purchases.

During the year ended December 31, 2025, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares (excluding treasury shares)) had interests in the five largest suppliers or customers of the Company.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, and did not carry out any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

On January 31, 2024, the Company as a borrower, entered into a facility agreement (the "**Facility Agreement**") with banks as arrangers and agents, for a loan facility of US\$100,000,000 (the "**Facility**"). The final maturity date of the Facility shall initially be the date falling 364 days after the date of the Facility Agreement and shall, subject to the terms and conditions therein, be extended to the date falling 36 months after the date of the Facility Agreement. Pursuant to the Facility Agreement, the total commitment under the Facility may be cancelled and all amounts outstanding under the Facility may become immediately due and payable, if, amongst other things, Mr. Wang Xuning does not or ceases directly or indirectly to control more than 50.1% of the voting rights at a general meeting of the Company or serve as the chairman of the Board.

As at December 31, 2025 and up to the date of this report, the Company had not breached any of the terms of the Facility Agreement and no specific performance obligation imposed on Mr. Wang Xuning has been breached.

Report of the Directors

DIRECTORS

The Directors for the year ended December 31, 2025 and as at the date of this report were:

Executive Directors

WANG Xuning (*Chairman*)⁽¹⁾

HAN Run (*Chief Executive Officer and Chief Financial Officer*)⁽²⁾

HUANG Shuling⁽³⁾

Non-executive Director

Stassi Anastas ANASTASSOV

Independent Non-executive Directors

Yuan DING

YANG Xianxiang

SUN Zhe

Maximilian Walter CONZE

Notes:

- (1) Mr. WANG Xuning stepped down as the Chief Executive Officer on March 26, 2026.
- (2) Ms. HAN Run was appointed as the Chief Executive Officer on March 26, 2026.
- (3) Ms. HUANG Shuling resigned as an executive Director on March 26, 2026.

In accordance with Article 16.19 of the Articles of Association, Mr. Yuan DING, Mr. SUN Zhe and Mr. Maximilian Walter CONZE shall retire from their offices as Directors by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received the confirmation of independence from all four (4) independent non-executive Directors ("INEDs"), namely Mr. Yuan DING, Mr. YANG Xianxiang, Mr. SUN Zhe, and Mr. Maximilian Walter CONZE in accordance with Rule 3.13 of the Listing Rules.

The Board has reviewed the independence of all INEDs and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the INEDs has been impaired up to the date of this report.

Report of the Directors

SERVICE CONTRACTS OF DIRECTORS

The Company has entered into service contracts or appointment letters with all executive Directors, non-executive Directors and INEDs for an initial term of three years, or which shall be terminated pursuant to relevant terms of respective contracts or letters of appointment.

None of the Directors has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DISCLOSURE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Latest biographical information of the directors of the Company is set out on pages 35 to 38 of this report. Save as disclosed, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MANAGEMENT CONTRACTS

During the year ended December 31, 2025, the Company did not enter into any contract, other than the contracts of service with the Directors or any person engaged in the full-time employment of the Company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions and Related Party Transactions" and note 40 to the financial statements, there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party and in which any of the Directors or the controlling shareholders of the Company had a material interest, whether directly or indirectly, during the Reporting Period.

INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

To the best knowledge of the Directors, save as disclosed below, none of the Directors had any interest in any business which directly or indirectly competes or is likely to compete with the business of the Group:

Jiuyang Bean: As of date of this report, Hangzhou Jiuyang Bean Industry Limited (杭州九陽豆業有限公司) ("**Jiuyang Bean**"), was owned as to approximately 42.5%, 25.5%, 15% and 17% by Ningbo Meishan Free Trade Port Area Lihao Investment Limited (寧波梅山保稅港區力豪投資有限公司) ("**Lihao Investment**"), Solar Blue (HK) Limited ("**Solar Blue**"), Ningbo Meishan Free Trade Port Jiudouyuan Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區九豆源企業管理合夥企業(有限合夥)) and Mr. Cai Xiujun, an independent third party respectively. Solar Blue was wholly owned by Mr. Wang Xuning. Lihao Investment was held as to 83.75% by Shanghai Hezhou Investment Co., Ltd., which was indirectly owned by Mr. Wang Xuning as to 61.85%. Jiuyang Bean generally provides soymilk powder and commercial soymilk makers.

On the basis that the Group's products have different usage scenarios from the products of Jiuyang Bean, as the Group's products are generally for home use and targeted at individual customers while Jiuyang Bean generally provides soymilk powder and commercial soymilk makers to factories, schools, stores and restaurants, the Directors are of the view that the above business would not give rise to any material competition issue under Rule 8.10 of the Listing Rules.

Report of the Directors

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code, were as follows:

(i) Interest in Shares of the Company

Name of Director or chief executive	Nature of interest	Long position/ short position	Number of Shares	Approximate percentage of shareholding in the Company ⁽¹⁾
Mr. Wang Xuning ⁽²⁾⁽³⁾⁽⁶⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion, interest in controlled corporations, interest held jointly with other persons	Long position	2,381,078,381	68.53%
	Beneficial interest	Long position	81,170,295	2.33%
Ms. Han Run ⁽²⁾⁽⁴⁾⁽⁶⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	2,381,078,381	68.53%
	Beneficial interest	Long position	28,132,073	0.81%
Ms. Huang Shuling ⁽²⁾⁽⁵⁾⁽⁶⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,836,844,233	52.87%
Mr. Yang Xianxiang	Beneficial interest	Long position	313,500	0.01%

Report of the Directors

Notes:

- (1) The approximate percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as of December 31, 2025.
- (2) JS&W Global Holding Limited Partnership ("**JS&W Global**", formerly known as JS Holding Limited Partnership) directly held 1,836,844,233 Shares. Hezhou Company Limited ("**Hezhou**") was the general partner exercising operational control over JS&W Global. Tong Zhou Company Limited ("**Tong Zhou**") was its limited partner with close to 100% of the limited partnership interest. Hezhou was wholly owned by Mr. Wang Xuning through the holding companies wholly owned by the trustee of the discretionary trust founded by Mr. Wang Xuning (the "**Wang's Family Trust**"). Tong Zhou was owned by the holding companies respectively wholly owned by relevant trustee of several discretionary trusts (where their respective founders may respectively influence how the relevant trustee exercises its discretion), including the Wang's Family Trust, the trust founded by Ms. Han Run (the "**Han's Family Trust**") and the trust founded by Ms. Huang Shuling (the "**Huang's Family Trust**"). Therefore, each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling was deemed to be interested in the Shares held by JS&W Global for the purpose of Part XV of the SFO.
- (3) JS&W Capital Holding Limited Partnership ("**JS&W Capital**") directly held 544,234,148 Shares. Sol Target Limited ("**STL**") was the general partner exercising operational control over JS&W Capital. Solar Growth Company Limited ("**SGCL**") was its limited partner with close to 100% of the limited partnership interest. STL was wholly owned by Xuning Holdings Limited ("**XHL**"). XHL was wholly owned by Wang Family Holdings Limited ("**WFHL**", which was in turn wholly-owned by Wang Family Global Limited ("**WFGL**", together with XHL and WFHL, the "**Wang's Holding Companies**"). The entire issued share capital of WFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Wang's Family Trust. Mr. Wang Xuning established the Wang's Family Trust for the benefit of himself and his family members. Therefore, Mr. Wang Xuning was deemed to be interested in 544,234,148 Shares held by JS&W Capital for the purpose of part XV of the SFO. Together with Mr. Wang Xuning's interest in the Company held through JS&W Global as described in note (2) above, Mr. Wang Xuning was deemed to be interested in an aggregate of 2,381,078,381 Shares held by JS&W Global and JS&W Capital. In addition, Mr. Wang Xuning was deemed to be interested in 81,170,295 Shares comprising 69,636,961 Shares and 11,533,334 restricted stock units granted to him under the RSU Plan entitling him to receive up to 11,533,334 Shares, subject to vesting.
- (4) Run Holdings Limited ("**RHL**") was wholly owned by Hannah Han Family Global Limited ("**HHFGL**", which was in turn wholly owned by Hannah Han Family Holdings Limited ("**HHFHL**", together with RHL and HHFGL, the "**Han's Holding Companies**"). The entire issued share capital of HHFHL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Han's Family Trust. Ms. Han Run established the Han's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Han Run was deemed to be interested in the Shares held by JS&W Global and JS&W Capital as described in note (2) and note (3) above, and therefore Ms. Han Run was deemed to be interested in 2,381,078,381 Shares. In addition, Ms. Han Run was deemed to be interested in 28,132,073 Shares comprising of 22,465,407 Shares and 5,666,666 restricted stock units granted to her under the RSU Plan entitling her to receive up to 5,666,666 Shares, subject to vesting.
- (5) Y&W Holdings Limited ("**YWHL**") was wholly owned by L&W Everlasting Holdings Limited ("**LEHL**", which was in turn wholly owned by Huang Family Global Limited ("**HFGL**", together with YWHL and LEHL, the "**Huang's Holding Companies**"). The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang's Family Trust. Ms. Huang Shuling established the Huang's Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Huang Shuling was deemed to be interested in Shares held by JS&W Global as described in note (2) above, and therefore Ms. Huang Shuling was deemed to be interested in 1,836,844,233 Shares.
- (6) On January 21, 2026, for the purpose of internal restructuring, certain companies and/or trustees holding direct and/or indirect interests in STL, SGCL, Hezhou and Tong Zhou have transferred their respective interests to certain new companies and/or trustees. For details of such internal restructuring, please refer to the respective notices of disclosure of interests filed through the DION system under Part XV of the SFO.

Report of the Directors

(ii) Interest in associated corporations

Name of Director or chief executive	Nature of interest	Long position/ short position	Associated corporations	Number of Shares	Approximate percentage of shareholding in the associated corporation ⁽¹⁾
Ms. Han Run ⁽²⁾⁽³⁾	Beneficial interest	Long position	Joyoung	1,000,000	0.13%
Ms. Huang Shuling ⁽⁴⁾	Beneficial interest	Long position	Joyoung	92,700	0.01%

Notes:

- (1) The approximate percentage of shareholding in the associated corporation was calculated based on the total number of issued shares of Joyoung, which was 767,017,000 as of December 31, 2025.
- (2) On October 27, 2023, Ms. Han Run became an eligible participant in the JY ESOP I and was awarded 1,000,000 shares of Joyoung, held through the designated share repurchase account of Joyoung for her ultimate benefit and the cash proceeds of which will be eventually distributed to her subject to the fulfilment of certain performance targets. On November 4, 2024 and October 31, 2025, a total of 500,000 shares (250,000 shares on each date) granted to Ms. Han Run under JY ESOP I did not vest and were forfeited due to the non-fulfilment of the vesting conditions.
- (3) Ms. Han Run held 500,000 shares of Joyoung as of December 31, 2025.
- (4) Ms. Huang Shuling held 92,700 shares of Joyoung as of December 31, 2025.

Save as disclosed above, so far as the Directors are aware, as of December 31, 2025, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
JS&W Global ⁽²⁾⁽¹²⁾	Beneficial interest	Long position	1,836,844,233	52.87%
Hezhou ⁽²⁾⁽¹²⁾	Interest in controlled corporation	Long position	1,836,844,233	52.87%
Tong Zhou ⁽²⁾⁽¹²⁾	Interest in controlled corporation	Long position	1,836,844,233	52.87%
HONGTAO Holding Company Limited ("HJHCL") ⁽³⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
HONGJIN Family Company Limited ("HJFCL") ⁽³⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
HONGJIN Global Company Limited ("HJGCL") ⁽³⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
Trident Trust Company (Singapore) Pte. Limited ⁽³⁾⁽¹⁰⁾⁽¹²⁾	Trustee	Long position	1,836,844,233	52.87%
Mr. Zhu Hongtao ⁽³⁾⁽¹⁰⁾⁽¹²⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,836,844,233	52.87%
Guo De Er Limited ("GDEL") ⁽⁴⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%

Report of the Directors

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
Wo Er Na Limited ["WENL"] ⁽⁴⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
He Guang Limited ["HGL"] ⁽⁴⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
Ms. Yang Ningning ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾⁽¹²⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,836,844,233	52.87%
	Beneficial Interest	Long position	11,042,478	0.31%
YONG JUN Limited ["YJL"] ⁽⁶⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
J&Z Family Global Limited ["JZFG"] ⁽⁶⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
Jiang Family Global Limited ["JFGL"] ⁽⁶⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
Mr. Jiang Guangyong ⁽⁶⁾⁽¹⁰⁾⁽¹²⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,836,844,233	52.87%
XHL ⁽⁷⁾⁽¹⁰⁾⁽¹²⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	2,381,078,381	68.53%
WFHL ⁽⁷⁾⁽¹⁰⁾⁽¹²⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	2,381,078,381	68.53%
WFGL ⁽⁷⁾⁽¹⁰⁾⁽¹²⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	2,381,078,381	68.53%

Report of the Directors

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
RHL ⁽⁸⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	2,381,078,381	68.53%
HHFGL ⁽⁸⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	2,381,078,381	68.53%
HHFHL ⁽⁸⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	2,381,078,381	68.53%
YWHL ⁽⁹⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
LEHL ⁽⁹⁾⁽¹⁰⁾⁽¹²⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
HFGL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,836,844,233	52.87%
Trident Trust Company (HK) Limited ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	Trustee	Long position	2,381,078,381	68.53%
JS&W Capital ⁽¹¹⁾⁽¹²⁾	Beneficial Interest	Long position	544,234,148	15.66%
STL ⁽¹¹⁾⁽¹²⁾	Interest in controlled corporation	Long position	544,234,148	15.66%
SGCL ⁽¹¹⁾⁽¹²⁾	Interest in controlled corporation	Long position	544,234,148	15.66%
First Beijing Investment Limited	Investment manager	Long position	183,402,000	5.28%

Notes:

- (1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as of December 31, 2025.
- (2) JS&W Global directly held 1,836,844,233 Shares. Hezhou was the general partner exercising operational control over JS&W Global. Tong Zhou was the limited partner of JS&W Global with close to 100% of its limited partnership interest. Therefore, each of Hezhou and Tong Zhou was deemed to be interested in 1,836,844,233 Shares held by JS&W Global for the purpose of Part XV of the SFO.

Report of the Directors

- (3) HJHCL was wholly owned by HJGCL, which was in turn wholly owned by HJFCL (together with HJHCL and HJGCL, the “**Zhu HT’s Holding Companies**”). The entire issued share capital of HJFCL was directly owned by Trident Trust Company (Singapore) Pte. Limited, being the trustee of the family trust established by Mr. Zhu Hongtao (the “**Zhu HT’s Family Trust**”). Mr. Zhu Hongtao established the Zhu HT’s Family Trust, where he can influence how the trustee exercises his discretion, for the benefit of himself and his family members.
- (4) GDEL was wholly owned by WENL, which was in turn wholly owned by HGL (together with GDEL and WENL, the “**Yang’s Holding Companies**”). The entire issued share capital of HGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Ms. Yang Ningning (the “**Yang’s Family Trust**”). Ms. Yang Ningning established the Yang’s Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (5) Ms. Yang Ningning held 11,042,478 Shares.
- (6) YJL was wholly owned by JZFGL, which was in turn wholly owned by JFGL (together with YJL and JZFGL, the “**Jiang’s Holding Companies**”, together with the Wang’s Holding Companies, the Han’s Holding Companies, the Huang’s Holding Companies, the Zhu HT’s Holding Companies and the Yang’s Holding Companies, the “**Holding Companies**”). The entire issued share capital of JFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Mr. Jiang Guangyong (the “**Jiang’s Family Trust**”). Mr. Jiang Guangyong established the Jiang’s Family Trust, where he can influence how the trustee exercises its discretion, for the benefit of himself and his family members.
- (7) XHL was wholly owned by WFHL, the entire issued share capital of which was in turn wholly owned by WFGL. XHL directly wholly owned Hezhou, the general partner of JS&W Global, and STL, which in turn held 100% voting rights of JS&W Capital. Therefore, each of XHL, WFHL and WFGL was deemed to be interested in 2,381,078,381 Shares comprising of 544,234,148 Shares held by JS&W Capital and 1,836,844,233 Shares held by JS&W Global for the purpose of part XV of the SFO.
- (8) RHL was wholly owned by HHFGL, the entire issued share capital of which was in turn wholly owned by HHFHL. The entire issued share capital of HHFHL was directly wholly owned by Trident Trust Company (HK) Limited, being the trustee of the Han’s Family Trust, where Ms. Han Run can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (9) YWHL was wholly owned by LEHL, which was in turn wholly owned by HFGL. The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang’s Family Trust, where Ms. Huang Shuling can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (10) The Wang’s Family Trust, the Han’s Family Trust, the Huang’s Family Trust, the Zhu HT’s Family Trust, the Yang’s Family Trust and the Jiang’s Family Trust, through Trident Trust Company (HK) Limited or Trident Trust Company (Singapore) Pte. Limited (in the case of the Zhu HT’s Family Trust) as their respective trustee (the “**Trustees**”) and the Holding Companies, held their interest in the Company through a common investment entity, namely JS&W Global. As such, each of the Trustees, the Holding Companies, and the founders of relevant discretionary trusts where he/she can influence how the trustee exercises its respective discretion, was deemed to be interested in the 1,836,844,233 Shares held by JS&W Global for the purpose of Part XV of the SFO.
- (11) STL had 100% control over JS&W Capital. SGCL was JS&W Capital’s limited partner with close to 100% of the limited partnership interest. STL was wholly owned by the Wang’s Family Trust through the Wang’s Holding Companies, which were wholly owned by its trustee Trident Trust Company (HK) Limited. Therefore, each of STL, SGCL and Trident Trust Company (HK) Limited was deemed to be interested in 544,234,148 Shares held by JS&W Capital for the purpose of Part XV of the SFO.
- (12) On January 21, 2026, for the purpose of internal restructuring, certain companies and/or trustees holding direct and/or indirect interests in STL, SGCL, Hezhou and Tong Zhou have transferred their respective interests to certain new companies and/or trustees. For details of such internal restructuring, please refer to the respective notices of disclosure of interests filed through the DION system under Part XV of the SFO.

Save as disclosed herein, as of December 31, 2025, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "RSU Plan" and "JY ESOP I" below, neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate during the Reporting Period.

EQUITY-LINKED AGREEMENT

The Company did not enter into any equity-linked agreement during the Reporting Period.

PERMITTED INDEMNITY PROVISION

Pursuant to the Memorandum and Articles of Association and subject to the applicable laws and regulations, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted.

The Company has maintained appropriate liability insurance for its Directors and senior management.

RSU PLAN

Summary

The following is a summary of the principal terms of the restricted stock unit plan (the "**RSU Plan**") of the Company as approved by the Board on October 9, 2019 and amended by the RSU Committee of the Board on December 14, 2020, June 4, 2021, December 30, 2021 and March 29, 2022. The terms of the RSU Plan are subject to the provisions of Chapter 17 of the Listing Rules.

The purposes of the RSU Plan are to recognize and reward participants for their contribution to the Group, to attract best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group's business. The RSU Plan shall be valid and effective for a period of 10 years since its adoption date. Remaining life of the RSU Plan is 4 years as of the date of this report.

Report of the Directors

Administration

The RSU Plan shall be subject to the administration of the administrator (the "**Administrator**"), being (i) prior to the Listing, the Board, and (ii) immediately after the consummation of the Listing, the Board or a committee comprising of certain members of our Board as authorized by our Board from time to time for the purpose of administering the RSU Plan, in accordance with the terms and conditions of the RSU Plan. The Administrator may, from time to time, select the participants to whom RSUs may be granted (the "**Awards**").

The Administrator shall have the sole and absolute right to (a) interpret and construe the provisions of RSU Plan, (b) determine the persons who will be granted Awards under the RSU Plan, the terms and conditions on which Awards are granted and when the Awards granted pursuant to the RSU Plan may vest, (c) make such appropriate and equitable adjustments to the terms of the Awards granted under the RSU Plan as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing matters stated (a), (b) and (c).

Who may join and maximum entitlement

Those eligible to participate in the RSU Plan (the "**Participants**") include: (a) full-time employees (including directors, officers and members of senior management) of our Group; and (b) any person who, in the sole opinion of the Administrator, has contributed or will contribute to any member of our Group (including business partners of any member of our Group, such as suppliers, clients, or any persons who provide technical support, consultancy, advisory or other services to any member of the Group).

There is no maximum entitlement of each Participant under the RSU Plan. The Company will comply with the relevant requirements pursuant to Chapter 17 of the Listing Rules in the event that the individual limit of any Participant is exceeded.

Maximum number of Shares

On March 29, 2022, the RSU Committee of the Board approved to amend the maximum number of the Shares underlying the RSU Plan and held by the ("**Trustee**") on trust as issued or to be issued by the Company (excluding the Shares underlying the RSUs that have lapsed or been canceled or forfeited in accordance with the terms and conditions of the RSU Plan) from 199,537,593 Shares to 300,000,000 Shares, representing approximately 8.6% of the issued Shares (excluding treasury shares) as at the date of this report.

The number of RSUs available for grant under the RSU Plan on January 1, 2025 and December 31, 2025 were 115,287,138 and 115,287,138 respectively. The number of Shares that may be issued in respect of RSUs granted under the RSU Plan during the Reporting Period divided by the weighted average number of Shares (excluding treasury shares) for the Reporting Period is 3.3%.

Consideration

The consideration (if any) payable by a selected Participant to the Trustee for acceptance of the Awards under the RSU Plan shall be determined at the sole and absolute discretion of the Administrator and any such consideration shall be held by the Trustee as income of the trust funds and be applied by the Trustee as it deems appropriate or desirable in accordance with the terms of the RSU Plan and the trust deed.

Report of the Directors

Vesting

(a) Vesting Notice

Upon fulfillment or waiver (by the Administrator in its sole and absolute discretion) of the vesting period and vesting conditions (if any) applicable to a grantee or a grant, a vesting notice will be sent to the grantee by the Administrator, or by the Trustee under the authorization and instruction by the Administrator, confirming (a) the extent to which the vesting period and vesting conditions have been fulfilled or waived; (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip dividends in respect of these Shares) or the amount of cash the grantee will receive; and (c) where the grantee will receive Shares, the lock-up arrangements for such Shares (if applicable). The grantee may be required to execute, after receiving the vesting notice, certain documents set out in the vesting notice that the Administrator considers necessary (which may include, without limitation, a certification that he or she has complied with all the terms and conditions set out in the RSU Plan and the relevant award agreement). In the event that the grantee fails to execute the required documents within 30 business days after receiving the vesting notice (if the documents to be executed by the grantee are set out in the vesting notice), the vested RSUs will lapse.

(b) RSUs which have vested

Subject to the execution of documents by the grantee as set out above, the RSUs which have vested shall be satisfied, at the Administrator's sole and absolute discretion within a reasonable period from the vesting date of such RSUs, either by:

- subject to the above paragraph 8, the Administrator directing and procuring the Trustee to transfer our Shares underlying the RSUs (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee or his wholly-owned entity (as represented by the grantee) from the trust fund; and/or
- the Administrator directing and procuring the Trustee to pay to the grantee in cash an amount which is equivalent to the market value of our Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) set out in the paragraph (i) above by making on-market sales of such Shares and/or utilizing the cash in the trust fund according to the Administrator's instruction and after deduction or withholding of any tax, fines, levies, stamp duty and other charges applicable to the entitlement of the grantee and the sales of any Shares to fund such payment and in relation thereto.

The Administrator shall have the sole and absolute discretion to determine whether or not a grantee shall have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying a RSU prior to vesting of the RSU.

Report of the Directors

Details of the RSUs granted under the RSU Plan

There are no newly granted RSUs during the year ended December 31, 2025.

Details of the RSUs granted pursuant to the RSU Plan to the Directors and senior management and other employees of the Company during the Reporting Period are set out below:

Grantee	Date of Grant	Vesting Period	Price of Shares		As at January 1, 2025	Number of RSUs				
			Closing Price ⁽¹⁾ (HK\$)	Weighted Average Closing Price ⁽²⁾ (HK\$)		Granted during the Year	Vested during the Year	Forfeited or Canceled during the Year ⁽³⁾	Lapsed during the Year	As at December 31, 2025
Directors, chief executive or substantial shareholders of the Company, or their respective associates										
WANG Xuning	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.75	23,066,667	-	11,533,333	-	-	11,533,334
HAN Run	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.75	11,333,333	-	5,666,667	-	-	5,666,666
Subtotal					34,400,000	-	17,200,000	-	-	17,200,000
1 Other Employee										
	June 6, 2023	May 31, 2024 to May 31, 2026	7.701	1.75	1,000,000	-	500,000	-	-	500,000
Subtotal					1,000,000	-	500,000	-	-	500,000
Total					35,400,000	-	17,700,000	-	-	17,700,000

Notes:

- (1) It is the closing price of Shares immediately before the date on which the RSUs were granted.
- (2) It is the weighted average closing price of Shares immediately before the date on which the RSUs were vested in the Reporting Period.
- (3) Exercise/purchase price is not applicable for the RSUs forfeited or canceled during the year.
- (4) The vesting of the RSUs are subject to performance-based conditions. For further details, please refer to note 35 to the financial statements.
- (5) Details of the fair value of RSUs at the date of grant and the accounting standard and policy adopted are set out in note 35 to the financial statements.

Report of the Directors

JY ESOP I

Following is a summary of the principal terms of the phase I employee stock ownership plan of Joyoung (the “**JY ESOP I**”).

On March 28, 2022, Joyoung adopted the JY ESOP I, which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

The JY ESOP I will include a maximum of 30 eligible employees, including directors, senior management and core management team of Joyoung and its subsidiaries.

The term of the JY ESOP I is 72 months. Remaining life of the JY ESOP I is 25 months as of the date of this report. The Target Shares (as defined below) granted to the relevant eligible employee will vest on the 12th, 24th, 36th, 48th, and 60th month from the date of transfer of the relevant Target Shares to such eligible employee and 20% of the total number of the Target Shares granted to such eligible employee will vest at each time of vesting.

Pursuant to the JY ESOP I, the funding of the JY ESOP I comes from the remuneration of the employees, the self-raised funding of the employees and other sources of funding allowed by applicable laws and regulations. The maximum amount of funding that may be raised by the JY ESOP I is RMB208,000,000 and Joyoung will not provide any means of financial assistance to the eligible employees. The sources of shares (the “**Target Shares**”) of JY ESOP I include A shares of Joyoung repurchased through the designated share repurchase account of Joyoung, A shares of Joyoung purchased from secondary market and other means allowed by the applicable laws and regulations. The JY ESOP I plans to use (i) a maximum of 8,000,000 shares repurchased through the designated share repurchase account of Joyoung; and (ii) such number of shares purchased from secondary market at market price with a maximum amount of RMB200,000,000 for the JY ESOP I.

As of the date of this report, JY ESOP I held 3,150,000 shares of Joyoung in total, representing approximately 0.4% of the total issued share capital of Joyoung.

The number of shares to be issued to each eligible employee under Joyoung ESOP I will not exceed 1% of the total issued share capital of Joyoung.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, the Group had approximately 2,426 employees in total (as of December 31, 2024: 2,558), of which approximately 2,100 employees were with its Chinese mainland operation, and approximately 326 employees were with other countries or Asian regions operations. For the year ended December 31, 2025, the Group recognized staff costs of US\$191.4 million (2024:US\$241.5 million).

The Group implements training programs for all of its employees, from entry-level employees to management on subjects such as corporate culture, research and development, strategies, policy and internal control, internal systems and business skills. Some of the Group’s subsidiaries have labor unions that protect employees’ rights, help fulfill the subsidiaries’ economic objectives, encourage employee participation in management decisions and assist in mediating disputes between the subsidiaries and union members. The remuneration package for employees generally includes salary and bonuses. Employees typically receive welfare benefits, including medical care, pension, occupational injury insurance and other miscellaneous benefits.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from the minimum public float requirement under Rule 8.08(1) of the Listing Rules such that the Company is subject to a minimum public float of 17.16%.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date prior to the issue of this report, the public float of the Company complied with such requirement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As of the end of the Reporting Period, no treasury shares (as defined under the Listing Rules) were held by the Company. As at December 31, 2025, the total number of issued Shares of the Company was 3,474,571,777.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of Cayman Islands, which would oblige the Company to offer new Shares of the Company on a pro-rata basis to its 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.

CONTINGENT LIABILITIES

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



Report of the Directors

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Continuing Connected Transactions

We set out below details of continuing connected transactions of our Group during the Reporting Period (“**Continuing Connected Transactions**”), in compliance with the requirements of Chapter 14A of the Listing Rules. For the specific pricing terms, formula, and material information about the pricing policies or guidelines, please refer to the announcements and circulars published on the respective dates of the relevant agreements.

1. Sourcing Services Agreement – JS Global

On July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time), JS Global Trading HK Limited (“**JS Global Trading**”) entered into a sourcing services agreement (the “**Sourcing Services Agreement – JS Global**”) with SharkNinja (Hong Kong) Company Limited (“**SharkNinja HK**”) to provide value-added sourcing services to the SharkNinja Group over a transitional period after the Spin-off. The initial term of the Sourcing Services Agreement – JS Global commenced on July 31, 2023 upon the completion of the Spin-off and expired on June 30, 2025.

The annual caps for the transactions under the Sourcing Services Agreement – JS Global payable by SharkNinja Group to the Group are as follows:

	From July 31, 2023 to December 31, 2023 (US\$ million)	For the year ended December 31, 2024 (US\$ million)	For the year ended December 31, 2025 (US\$ million)
Annual Caps	45.0	70.0	15.0

SharkNinja HK is wholly owned by SharkNinja, which is owned as to over 40% by JS&W Global. JS&W Global is owned by the Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom was an executive Director during the Reporting Period). Pursuant to Chapter 14A of the Listing Rules, SharkNinja HK is a connected person of the Company. Accordingly, the Sourcing Services Agreement – JS Global constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the aggregate transaction amount under the Sourcing Services Agreement – JS Global amounted to approximately US\$3.8 million, which did not exceed the annual cap of US\$15.0 million. For details, please refer to the announcement of the Company dated July 31, 2023.

Report of the Directors

2. Sourcing Services Agreement – Joyoung

On July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time), Joyoung Holdings (Hong Kong) Limited, Hangzhou Jiuchuang Household Electric Appliances Co., Ltd. and Hangzhou Joyoung Household Electric Appliances Co., Ltd., each of which is a subsidiary of Joyoung (collectively, the “**Joyoung Entities**”) entered into a sourcing services agreement (the “**Sourcing Services Agreement – Joyoung**”) with SharkNinja HK. Pursuant to the Sourcing Services Agreement – Joyoung, SharkNinja Group will engage Joyoung and its subsidiaries (collectively, the “**Joyoung Group**”) to manufacture, or procure OEM suppliers to manufacture, certain SN brands of products, including cooking appliances, food preparation appliances and floorcare products, and source these products from Joyoung Group. The initial term of the Sourcing Services Agreement – Joyoung is three years from July 31, 2023 upon the completion of the Spin-off.

The annual cap for the Sourcing Services Agreement – Joyoung from July 31, 2023 to December 31, 2023 and from January 1, 2024 to December 31, 2024 was both US\$220.0 million. The annual cap for the Sourcing Services Agreement – Joyoung for the year ended December 31, 2025 was US\$110.0 million, and for the year ending December 31, 2026 is US\$25.63 million.

SharkNinja HK is wholly owned by SharkNinja, which is owned as to over 40% by JS&W Global. JS&W Global is owned by the Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom was an executive Director during the Reporting Period). Pursuant to Chapter 14A of the Listing Rules, SharkNinja HK is a connected person of the Company. Accordingly, the Sourcing Services Agreement – Joyoung constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the aggregate transaction amount under the Sourcing Services Agreement – Joyoung amounted to approximately US\$88.7 million, which did not exceed the annual cap of US\$110.0 million. For details, please refer to the announcement of the Company dated October 27, 2025.

3. Brand License Agreement

On July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time), JS Global Trading entered into a brand license agreement (the “**Brand License Agreement**”) with SharkNinja Europe Ltd. (“**SharkNinja Europe**”). Pursuant to the Brand License Agreement, the SharkNinja Group has granted to the Group the non-exclusive rights to obtain, produce and source, and the exclusive rights to distribute and sell, SN brands of products in the Asia-Pacific region and Greater China. The Brand License Agreement commenced on July 31, 2023 upon the completion of the Spin-off with a term of 20 years.

The annual caps for the transactions under the Brand Licensing Agreement payable by the Group to the SharkNinja Group are as follows:

	From July 31, 2023 to December 31, 2023 (US\$ million)	For the year ended December 31, 2024 (US\$ million)	For the year ended December 31, 2025 (US\$ million)	For the year ending December 31, 2026 (US\$ million)
Annual Caps	3.0	10.0	23.0	28.0

Report of the Directors

SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W Global. JS&W Global is owned by the Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom was an executive Director during the Reporting Period). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Brand License Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the aggregate transaction amount under the Brand Licensing Agreement amounted to approximately US\$15.5 million, which did not exceed the annual cap of US\$23.0 million. For details, please refer to the announcement of the Company dated December 19, 2025.

4. Product Development Agreement

On July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time), JS Global Trading entered into a product development agreement (the “**Product Development Agreement**”) with SharkNinja Europe. Pursuant to the Product Development Agreement, the Group will engage the SharkNinja Group to develop market tailored products for Asia-Pacific region and Greater China markets, and provide certain related business support services, for which the SharkNinja Group will charge service fees to the Group for three years from July 31, 2023 upon the completion of the Spin-off, subject to renewal upon mutual consent of both parties.

On October 30, 2024 and October 27, 2025, SharkNinja Europe and JS Global Trading entered into an amendment to the Product Development Agreement (together with the Product Development Agreement, the “**Product Development Agreements**”) to revise the service fees and their payment terms of the service fees and tooling costs arrangement under the Product Development Agreement. Save for the said revisions, all other terms and conditions under the Product Development Agreement remain unchanged.

The annual caps for the transactions under the Product Development Agreements payable by the Group to the SharkNinja Group are as follows:

	From July 31, 2023 to December 31, 2023 (US\$ million)	For the year ended December 31, 2024 (US\$ million)	For the year ended December 31, 2025 (US\$ million)	For the year ending December 31, 2026 (US\$ million)
Annual Caps	0.5	2.0	6.75	11.41

SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W Global. JS&W Global is owned by the Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom was an executive Director during the Reporting Period). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Product Development Agreements constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the aggregate transaction amount under the Product Development Agreement amounted to approximately US\$6.64 million, which did not exceed the annual cap of US\$6.75 million. For details, please refer to the announcement of the Company dated October 27, 2025.

Report of the Directors

5. Transition Services Agreement

On July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time), JS Global Trading entered into a transition services agreement (the “**Transition Services Agreement**”) with SharkNinja. Pursuant to the Transition Services Agreement, the SharkNinja Group will provide certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services to the Group to facilitate the Group’s business operations of SN brands of products in the Asia Pacific Region and Greater China markets. The initial term of the Transition Services Agreement is two years from July 31, 2023 upon the completion of the Spin-off.

The annual caps for the transactions under the Transition Services Agreement payable by the Group to the SharkNinja Group in respect of Transition Services Agreement are as follows:

	From July 31, 2023 to December 31, 2023 (US\$ million)	For the year ended December 31, 2024 (US\$ million)	For the year ended December 31, 2025 (US\$ million)
Annual Caps	1.25	3	1.75

SharkNinja is owned as to over 40% by JS&W Global. JS&W Global is owned by the Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom was an executive Director during the Reporting Period). Pursuant to Chapter 14A of the Listing Rules, SharkNinja is a connected person of the Company. Accordingly, the Transition Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the aggregate transaction amount under the Transition Services Agreement amounted to approximately US\$1.75 million, which did not exceed the annual cap of US\$1.75 million. For details, please refer to the announcement of the Company dated July 31, 2023.

6. Brand Licensing Agreement

On January 31, 2024, Joyoung entered into the Brand Licensing Agreement with Jiuyang Bean Industry, pursuant to which Joyoung has agreed to grant Jiuyang Bean Industry a perpetual and non-exclusive right to use the brand name with a license fee of RMB36.0 million.

The annual caps for the transactions under the Brand Licensing Agreement payable by Jiuyang Bean Industry to Joyoung are as follows:

	From January 31, 2024 to December 31, 2024 (RMB million)	For the year ended December 31, 2025 (RMB million)	For the year ending December 31, 2026 (RMB million)
Annual Caps	36	-	-

Report of the Directors

Pursuant to Chapter 14A of the Listing Rules, Jiuyang Bean Industry is considered a connected person of the Company by virtue of it being an associate of Mr. Wang Xuning, an executive Director of the Company, as Mr. Wang Xuning indirectly held approximately 68% of the equity interest in Jiuyang Bean Industry as at the date of entering into the Agreement. Accordingly, the Brand Licensing Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, there was no transaction amount under the Brand Licensing Agreement. For details, please refer to the announcement of the Company dated January 31, 2024.

Confirmation by independent non-executive Directors

The independent non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that such transactions:

- (a) were entered into in the ordinary and usual course of business of the Group;
- (b) were on normal commercial terms or better to the Group; and
- (c) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation by the Auditor

The Auditor has been engaged to report on the continuing connected transactions of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified assurance report containing their conclusions in respect of the Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules.

In respect of the Continuing Connected Transactions, the Auditor has confirmed that:

- (a) nothing has come to their attention that cause them to believe that the Continuing Connected Transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that such transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes them to believe that the Continuing Connected Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the Continuing Connected Transactions; and
- (d) with respect to the aggregate actual transaction amount of each of the Continuing Connected Transactions, nothing has come to their attention that causes them to believe that such actual transaction amounts had exceeded the relevant annual caps.

Report of the Directors

Related Party Transactions

A summary of the related party transactions entered into by the Group during the Reporting Period is contained in note 40 to the Financial Statements in this report.

Save as disclosed above, no related party transactions disclosed in the consolidated financial statements constitutes a connected transaction or a continuing connected transaction as defined under Chapter 14A of the Listing Rules during the Reporting Period. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the paragraph headed "Chairman and Chief Executive Officer" in the Corporate Governance Report, there are no significant events undertaken by the Company after the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, had a material adverse effect on the Group's business, financial condition or results of operations. As far as the Company is aware, the Group had complied, in all material respects, with all relevant laws and regulations in the jurisdictions which the Group operated in during the year ended December 31, 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the principal risks and uncertainties of the Group are set out in the section headed "Management Discussion and Analysis" of this report.

RELATIONSHIP WITH STAKEHOLDERS

The Group acknowledges the importance of stakeholders to corporate development and pays attention to matters of concern to stakeholders including the government and regulators, shareholders and investors, employees, business partners, suppliers, customers and the community. The Group maintains transparent and bilateral exchange, strengthens mutual trust and cooperation and establishes harmonious relationship with its stakeholders.

The Group treats compliance with laws and regulations as a basic requirement for operations, and maintains good communication with the government and regulatory agencies through voluntary reporting, cooperating with reviews and investigations, and recommending industry standard improvement. The Group treats the realization of the interests of Shareholders and investors as an important business objective, establishes communication channels such as shareholder meetings and timely announcements, and delivers sound financial performance to Shareholders and investors. The Group regards employees as valuable assets, motivates employees with a competitive salary and transparent promotion mechanism, and provides them with a fair working environment. The Group also supports their career development skills with various forms of training support. The Group is engaged in regular visits, communication and industry exchange with its business partners, and maintains real-time interaction in daily operations with them in order to develop long-term and stable cooperation. The Group innovates to meet customers' needs and is committed to providing customers with high-quality and reliable services. The Group provides various online and offline channels to enable timely and accurate communication with customers, assisting them in their long-term development. The Group also maintains a sound communication mechanism with its suppliers and the community, and, develops innovative models, conducts public welfare activities, and promotes the stable development of the community.

Report of the Directors

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and is committed to integrating the concept of green development into every aspect of its production and operations. The Group has established detailed internal environmental management policies, implements measures to ensure the rational use of energy, water, paper and packaging resources, and actively explores opportunities to reduce carbon emissions from its own business operations and value chain. The Group received no complaints or administrative enforcement for issues related to environmental protection during the year ended December 31, 2025.

For details of our environmental policies and performance, please refer to the Group's Environmental, Social and Governance (ESG) report.

AUDITOR

The Company appointed Ernst & Young as the Auditor for the year ended December 31, 2025. The Company will propose to re-appoint Ernst & Young as the Auditor in the coming Annual General Meeting.

There is no change of Auditor at the preceding three years.

By order of the Board
JS Global Lifestyle Company Limited
Wang Xuning
Chairman

Hong Kong, March 26, 2026

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

The Company and management of the Group are committed to maintenance of good corporate governance practices and procedures and the Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in Part 2 of the CG Code.

Save for deviation from code provisions C.2.1 and F.1.3 in Part 2 of the CG Code as described below, the Company had complied with all applicable code provisions set out in the CG Code during the Reporting Period.

THE BOARD

Composition of the Board

The Directors for the year ended December 31, 2025 and as at the date of this report were:

Executive Directors

WANG Xuning (*Chairman*)⁽¹⁾

HAN Run (*Chief Executive Officer and Chief Financial Officer*)⁽²⁾

HUANG Shuling⁽³⁾

Non-executive Director

Stassi Anastas ANASTASSOV

Independent Non-executive Directors

Yuan DING

YANG Xianxiang

SUN Zhe

Maximilian Walter CONZE

Notes:

(1) Mr. WANG Xuning stepped down as the Chief Executive Officer on March 26, 2026.

(2) Ms. HAN Run was appointed as the Chief Executive Officer on March 26, 2026.

(3) Ms. HUANG Shuling resigned as an executive Director on March 26, 2026.

Corporate Governance Report

The Board currently comprises seven Directors, including two executive Directors, one non-executive Director and four independent non-executive Directors. A list of members of the Board, their positions and dates of appointment, and each Director's biography have been set out in the section headed "Biographies of the Directors and Senior Management". Save as disclosed in this report, the Directors do not have financial, business, family or other material/relevant relationships with one another.

All Directors, including non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

Delegation of Management Function

The major powers and functions of the Board include, but are not limited to, convening the general meetings, implementing the resolutions passed at the general meetings, formulating the Company's strategic development plans, formulating financial budgets, formulating profit distribution plans, and exercising other powers and functions as conferred by the Memorandum and Articles of Association and applicable laws and regulations.

All Directors have full and timely access to all the information of the Company and advice from the senior management and company secretary of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Board is responsible for making decision with respect to the strategic plans, major investment decisions and other significant operational matters of the Company, while responsibilities with respect to the implementation of the decisions of the Board, day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to entering into any significant transactions.

Chairman and Chief Executive Officer

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. WANG Xuning ("Mr. Wang") held both positions during the Reporting Period.

Corporate Governance Report

After taking into consideration the factors below, the Board considers that vesting the roles of the Chairman and Chief Executive Officer (the “**CEO**”) in the same person, being Mr. Wang, is beneficial to the Group’s business development and operational coordination between Joyoung, SharkNinja APAC and SharkNinja, Inc.. Mr. Wang is responsible for formulating the overall business strategies and conducting general management of the Group. He has been the key person contributive to the development and business expansion of Joyoung since the invention of the soymilk maker in the 1990s. Mr. Wang is currently acting as chairman of the board of directors of SharkNinja, Inc.. He has always acted as the main point of communication between the corporate operation of Joyoung and SharkNinja. After completion of the distribution of SharkNinja Group by the Company on July 31, 2023 and the Spin-off, the coordination among the Group, Joyoung, SharkNinja APAC and SharkNinja, Inc. will still create an excellent external synergy effect. Regarding the rapidly evolving small household appliance industry in which the Group operates, the Chairman and CEO need to have a profound understanding and be equipped with extensive industry knowledge to stay abreast of market changes, so as to facilitate the Group’s business development.

After the Reporting Period, the Board has reviewed the existing management structure of the Company and, having considered the importance of enhancing the Company’s corporate governance standards and aligning with code provision C.2.1 of the CG Code, resolved that it would be in the best interest of the Company for the roles of Chairman and CEO to be separated. Accordingly, Mr. Wang has stepped down as the CEO with effect from March 26, 2026 (the “**Resignation**”) and Ms. HAN Run, an executive Director, has been appointed as the CEO immediately after Mr. Wang’s resignation (the “**Appointment**”). For details, please refer to the announcement of the Company dated March 26, 2026.

Following the Resignation of Mr. Wang and the Appointment of Ms. HAN Run, the roles of Chairman and CEO are separated and are performed by different individuals. Accordingly, the Company has complied with code provision C.2.1 of the CG Code with effect from March 26, 2026.

Non-executive Directors and Independent Non-executive Directors

During the Reporting Period, the Company had at least three independent non-executive Directors at all times, in compliance with the Rules 3.10(1) and 3.10(2) of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of independent non-executive Directors accounts for more than one-third of the number of the Board members.

Each of the non-executive Director (including INED) was appointed for an initial term of not more than three years from the date of his/her appointment. Upon the expiry of the initial term, the appointment may be renewed automatically for another term of not more than three years.

The Company had received written confirmation of independence for the Year from all INEDs. Each of the INED met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company considered each of them to be independent.

During the Reporting Period, the Chairman and the INEDs held meetings without the presence of executive Directors or senior management, providing a forum for independent discussion of governance, risk and Board dynamics.

The INEDs have been participating in Board meetings to being an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct, taking the lead where potential conflicts of interests arise, serving on the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee, scrutinising the Company’s performance in achieving agreed corporate goals and objectives, and monitoring performance reporting, making a positive contribution to the development of the Group’s strategy and policies through independent, constructive and informed comments and giving the Board and committees in which they serve, the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. Each Director has also given sufficient time and attention to the Company’s affairs during the Year.

Corporate Governance Report

Appointment and Re-election of Directors

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The term of appointment of non-executive Directors is for a term of three years.

The procedures and process of appointment, re-election and removal of Directors are set out in the Memorandum and Articles of Association.

Pursuant to Article 16.2 of the Articles of Association, any Director who is appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. In addition, pursuant to Article 16.19 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 16.2 of the Articles of Association shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall be eligible for re-election.

Compliance with Model Code regarding Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules, which applies to all Directors and relevant employees of the Company who are likely to possess inside information in relation to the Company or its securities due to his/her office or employment.

The Company has made specific enquiries with each Director, and each of them confirmed that he/she had complied with all required standards under the Model Code during the Reporting Period.

Training and Continuous Professional Development

The Company provides all Directors with a comprehensive monthly report containing updates on the Group's performance, position and prospects and ongoing training and continuous professional development covering legal and regulatory developments, corporate governance, environmental, social and governance, financial reporting, risk management, and internal control, as well as industry-specific updates. These initiatives enable the Board as a whole, and each Director individually, to maintain up to date knowledge and skills necessary for the proper discharge of their responsibilities and to remain informed of evolving trends and issues affecting the Group. The Board and the Company Secretary have, from time to time, reviewed and monitored the training and continuous professional development of the Directors and senior management.

Each newly appointed director shall be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the Listing Rules, relevant laws, rules and regulations. All the newly appointed Directors will complete no less than 24 hours of continuous professional development within 18 months of the date of their appointment.

The Company has received confirmations from the Directors that they participated in continuous professional training during the year ended December 31, 2025. The following table shows the Directors' training hours categorized by topic for the year ended December 31, 2025.

Corporate Governance Report

Directors	Board, Committees and Directors' Roles, Duties, and Responsibilities	Legal and Regulatory	Corporate Governance and ESG	Risk Management and Internal Controls	Industry Trend, Business Update and Strategy	Total no. of hours
WANG Xuning	1	2	2	2	3	10
HAN Run	1	2	2	2	3	10
HUANG Shuling ⁽¹⁾	1	2	2	2	3	10
Stassi Anastas ANASTASSOV	1	2	2	2	3	10
Yuan DING	1	2	2	2	3	10
YANG Xianxiang	1	2	2	2	3	10
SUN Zhe	1	2	2	2	3	10
Maximilian Walter CONZE	1	2	2	2	3	10

Note:

(1) Ms. HUANG Shuling resigned as an executive Director on March 26, 2026.

Directors' Responsibility on Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the financial year ended December 31, 2025.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

Attendance Records at the Meetings of the Board and Board Committees and General Meeting

The attendance records of the individual Directors at the meetings of the Board, Strategy Committee, Audit Committee, Nomination Committee, Remuneration Committee and the general meetings for the Reporting Period are set out as follows:

Directors	Number of Meetings Attended/Held					
	Board	Strategy Committee	Audit Committee	Nomination Committee	Remuneration Committee	General Meetings
Executive Directors						
Mr. WANG Xuning	3/4	2/2	N/A	1/1	N/A	0/2
Ms. HAN Run ⁽¹⁾	4/4	N/A	N/A	N/A	1/1	2/2
Ms. HUANG Shuling ⁽²⁾	4/4	N/A	N/A	N/A	N/A	1/2
Non-executive Director						
Mr. Stassi Anastas ANASTASSOV	4/4	2/2	N/A	N/A	N/A	0/2
Independent Non-executive Directors						
Mr. Yuan DING	4/4	2/2	3/3	1/1	N/A	1/2
Mr. YANG Xianxiang	4/4	2/2	3/3	1/1	1/1	2/2
Mr. SUN Zhe	3/4	2/2	3/3	N/A	1/1	2/2
Mr. Maximilian Walter CONZE	4/4	2/2	N/A	1/1	N/A	1/2

Notes:

(1) Ms. HAN Run was appointed as a member of the Nomination Committee on March 27, 2025.

(2) Ms. HUANG Shuling resigned as an executive Director on March 26, 2026.

Corporate Governance Report

Pursuant to the code provision F.1.3 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. WANG Xuning, the chairman of the Board, did not attend the annual general meeting of the Company held on May 22, 2025 due to other work arrangement with prior formal notice before the annual general meeting.

Notices of regular Board meetings are served to all of the Directors at least 14 days before the meetings. For other Board and Board committees' meetings, reasonable notices were generally given. Meeting papers together with all relevant information are sent to the Directors at least three days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. Minutes of meetings are kept by the company secretary with copies circulated to all Directors or Board committee members for information and records within a reasonable time after the date of the meeting. Directors who have conflicts of interest in a resolution are required to abstain from voting.

BOARD COMMITTEES

The Company has established four Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, including the Strategy Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. The four committees are authorized by the Board to deal with specific matters according to their own terms of reference.

Strategy Committee

The Strategy Committee of the Company consists of six members, currently including one executive Director, namely Mr. WANG Xuning (Chairman), one non-executive Director, namely Mr. Stassi Anastas ANASTASSOV, and four independent non-executive Directors, namely Mr. Yuan DING, Mr. YANG Xianxiang, Mr. SUN Zhe and Mr. Maximilian Walter CONZE. The primary duties of the Strategy Committee are as follows:

- researching and making recommendations to the Board on the long-term development strategies and plans of the Company;
- researching and making recommendations to the Board on the major financing plans of the Company and other major strategic issues influencing the development of the Company; and
- reviewing the implementation of the above matters.

Two Strategy Committee meetings were held during the Reporting Period to deeply discuss the Company's strategic initiatives and long-term strategy.

Corporate Governance Report

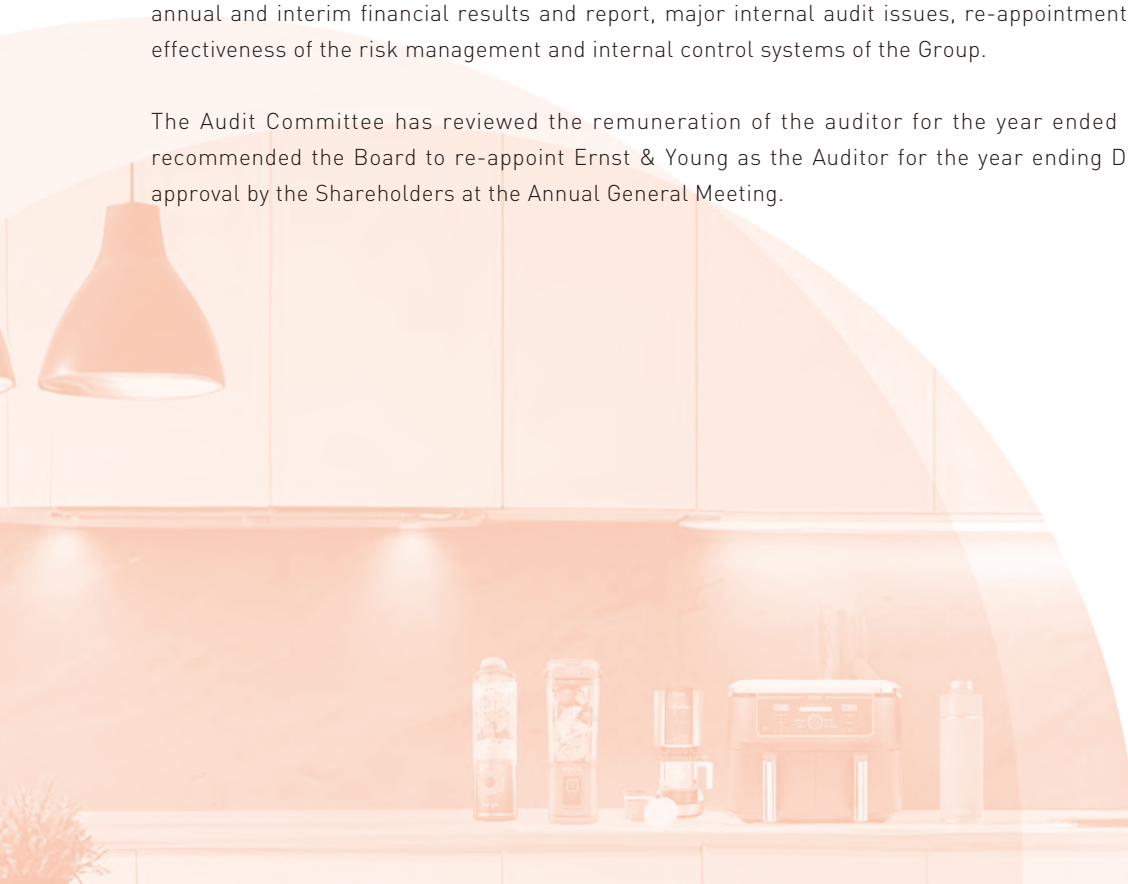
Audit Committee

The Audit Committee of the Company consists of three members, currently including three independent non-executive Directors, namely Mr. Yuan DING (Chairman), Mr. YANG Xianxiang and Mr. SUN Zhe. The primary duties of the Audit Committee are as follows:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, including developing and implementing policy on engaging an external auditor to supply non-audit services;
- monitoring integrity of the Company's financial statements, annual reports and accounts, interim reports;
- reviewing the Company's financial controls, risk management and internal control systems;
- discussing the risk management and internal control systems with the senior management to ensure that the senior management has performed their duties to establish effective systems, and reviewing the effectiveness, adequacy and appropriateness of those systems annually;
- conducting research on major investigation findings on risk management and internal control matters and the senior management's response to these findings; and
- reviewing the Company's financial and accounting policies and practices.

Three Audit Committee meetings were held during the Reporting Period to, amongst other things, review the audit plan, the annual and interim financial results and report, major internal audit issues, re-appointment of external auditors, and the effectiveness of the risk management and internal control systems of the Group.

The Audit Committee has reviewed the remuneration of the auditor for the year ended December 31, 2025 and has recommended the Board to re-appoint Ernst & Young as the Auditor for the year ending December 31, 2026, subject to approval by the Shareholders at the Annual General Meeting.



Corporate Governance Report

Nomination Committee

The Nomination Committee of the Company consists of five members, including two executive Directors, namely Mr. WANG Xuning (Chairman) and Ms. HAN Run, and three independent non-executive Directors, namely Mr. Yuan DING, Mr. YANG Xianxiang and Mr. Maximilian Walter CONZE. Ms. HAN Run was appointed as a member of the Nomination Committee on March 27, 2025. The primary duties of the Nomination Committee are as follows:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board in line with the Company's corporate strategy;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession plans for Directors;
- identifying individuals suitably qualified to become Board members and selecting and nominating the relevant individuals to serve as Directors or making recommendations to the Board on the selection and nomination of individuals for directorship;
- making recommendations to the Board concerning, amongst other things, formulating succession plans for Directors, assessing the independence of independent non-executive Directors, membership of the Company's audit and remuneration committees (in consultation with the chairpersons of committees); the re-appointment of any non-executive Director at the conclusion of the specific term of office, having given due regard to his performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- supporting the Company's regular evaluation of the Board's performance; and
- assessing each Director's time commitment and contribution to the Board annually, as well as the Director's ability to discharge his or her responsibilities effectively.

In evaluating and selecting any candidate for directorship, the Nomination Committee and the Board shall consider the following criteria, including, among other things, diversity, independence, experience, qualifications, skills, knowledge and any potential contributions the candidate can bring to the Board together with the willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information and other relevant details of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

Under the Board Diversity Policy, selection of director candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

One Nomination Committee meeting was held during the Reporting Period to review the Board Diversity Policy, review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendation to the Board on the re-election of the retiring Directors, and make recommendation to the Board on the amendments to the terms of reference of the Nomination Committee.

Corporate Governance Report

Remuneration Committee

The Remuneration Committee of the Company consists of one executive Director, named Ms. HAN Run, and two independent non-executive Directors, namely Mr. YANG Xianxiang (Chairman) and Mr. SUN Zhe. The primary duties of the Remuneration Committee are as follows:

- making recommendations to the Board on the Company's remuneration policy and structure for all Directors and senior management and on the establishment of formal and transparent procedures for developing remuneration policy;
- being responsible for making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of non-executive Directors;
- reviewing and approving the senior management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

One Remuneration Committee meeting was held during the Reporting Period to consider the remuneration policy and structure, incentives and remuneration plan of Directors and senior management, and material RSU related matters including granting RSUs to the Directors and employees in accordance with the existing RSU Plan. During the Reporting Period, save for the approval of the vesting of the existing RSU Plan, no material matters relating to share schemes (as defined in Chapter 17 of the Listing Rules) required the Remuneration Committee to review or approve.

Pursuant to the code provision E.1.5 of the CG Code, the following table sets forth the remuneration of the members of senior management categorized by remuneration group for the year ended December 31, 2025:

Remuneration	Number of Individuals
HK\$1,000,001 to HK\$2,000,000 (equivalent to US\$128,354 to US\$256,707)	1
HK\$2,000,001 to HK\$3,000,000 (equivalent to US\$256,708 to US\$385,061)	1
HK\$3,000,001 to HK\$4,000,000 (equivalent to US\$385,062 to US\$513,414)	1
HK\$110,000,001 to HK\$111,000,000 (equivalent to US\$14,118,885 to US\$14,247,239)	1
HK\$220,000,001 to HK\$221,000,000 (equivalent to US\$28,237,771 to US\$28,366,124)	1
	5

Further details of the Directors' emoluments and the top five highest paid employees required to be disclosed under Appendix D2 of the Listing Rules are set out in notes 9 and 10 to the financial statements.

The emoluments of each Directors are reviewed by the Remuneration Committee and determined by the Board, having regard to the Group's operating results, individual performance and prevailing market condition. No Director or any of his or her associates was involved in deciding his or her own remuneration.

Corporate Governance Report

CORPORATE CULTURE, VALUES AND STRATEGIC DIRECTION

The Group's corporate culture is closely aligned with its purpose, values and strategic direction. The Board is committed to ensuring the effective communication, implementation and evaluation of the Group's cultural principles through a robust corporate governance framework, thereby securing the accountability of both the Board and management in upholding and advancing an exemplary corporate culture.

Strategic Direction

The Group's strategic direction is clear and resolute: focusing on the Asia Pacific market with user needs at its core, steadily advancing towards leadership in the region's small household appliances industry through continuous enhancement of product competitiveness, brand influence and organizational effectiveness.

Culture and Values

The Company's vitality is reflected not only in financial statement figures, but more profoundly in its intrinsic culture and pursuit of values. Facing the macro-environmental challenges of 2025, only enterprises with a robust cultural core and clear strategic objectives can navigate challenges with steadfast direction and perseverance.

The Group's strategic goal of "becoming the leader in the Asia Pacific small household appliances industry" is rooted in our enduring belief and practice since inception: "Warming life with technology, honoring everyday life with innovation". This is not merely a slogan, but the action plan driving our Group towards industry supremacy.

Mission

On the journey to industry leadership, mission serves as the driving force. The Group recognizes that leadership does not stem from self-proclaimed scale, but from the genuine recognition of consumers.

Our mission is to anticipate evolving consumer needs across the Asia Pacific region and Chinese mainland through forward-thinking vision. By delivering innovative products that blend exquisite aesthetics, cutting-edge intelligent experiences and green sustainability principles, we create more convenient, healthy and joyful living experiences for every household. We redefine domestic living standards across the region through exceptional quality.

Vision

The Group's vision is clear and resolute: to become the undisputed leader in the Asia Pacific small household appliances industry. This vision rests upon two strategic pillars:

- Leadership in market position: The Group pursues not only market share supremacy but also becoming consumers' preferred brand choice. We will deepen regional localization efforts, precisely aligning with diverse cultural lifestyles to cultivate deep-rooted brand influence across Asia-Pacific markets.
- User value leadership: Our pursuit of "leadership" centers on achieving profound "user understanding". By building end-to-end digital engagement capabilities, we will transform from a manufacturer "selling products" into a lifestyle partner "cultivating user relationships", growing alongside our users.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

The Board is also responsible for reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, primarily the Listing Rules, the Companies Ordinance and the SFO, developing, reviewing and monitoring the Company's policies and practices on corporate governance, the code of conduct and compliance manual applicable to Directors and employees, reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, and reviewing and monitoring the training and continuing professional development of the Directors and senior management.

During the year ended December 31, 2025, the Board performed the corporate governance works as summarized below:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors;
- to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report; and
- to review the effectiveness of the risk management and internal control systems of the Group.

MECHANISM IN ACCESSING INDEPENDENT VIEWS AND INPUT

To maintain good corporate governance, the Company has introduced mechanisms to ensure that independent views and input are available to the Board. In assessing whether a potential candidate is qualified to be an independent non-executive Director or considering whether an independent non-executive director should be proposed for re-election, the Nomination Committee and the Board will assess and evaluate whether the candidate or independent non-executive Director is able to bring independent views to the Board. Meanwhile, the Company ensures the channels where independent views are available, including but not limited to availability of access by directors of the Company to external independent professional advice to assist their performance of duties at the Company's expense. The implementation and effectiveness of these mechanisms have been reviewed in due course annually.

DIVERSITY

Board Diversity

The Board has adopted the Board Diversity Policy which sets out measurable objectives for the selection of board members based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience.

Corporate Governance Report

As at the date of this report, the Board comprises seven Directors with a diversity of perspectives across age, gender, tenure of office, and professional and business experience. The Board comprises members with diverse cultural backgrounds, including Chinese, Chinese (Hong Kong), American, Swedish, German and French, and they collectively bring strong multilingual capabilities. They also possess a broad range of educational qualifications, covering engineering, economics, business administration, English, politics and international relations, together with extensive work experience across various countries and regions. The Directors demonstrate a balanced mix of knowledge and expertise spanning overall management and strategic development, sales and marketing, administration, fund management, corporate finance and financial management.

As at the date of this report, the Board maintains an appropriate and balanced composition. It currently comprises two executive Directors (28.6%), one non-executive Director (14.3%), and four independent non-executive Directors (57.1%), thereby achieving a strong level of independent oversight. The Board also demonstrates diversity in age, with one Director aged between 40 and 50 (14.3%), five Directors aged between 51 and 60 (71.4%), and one Director aged between 61 and 70 (14.3%). Gender representation remains an important consideration, with one female Director (14.3%) and six male Directors (85.7%). All Directors have served for less than nine years, supporting regular Board refreshment while preserving continuity and stability.

The Board considers that its current composition provides an appropriate level of diversity to support balanced, comprehensive and well informed deliberations at the Board level. Taking into account the mix of roles, age distribution and length of service set out above, the Board believes that the existing structure is suitable for the Group's present needs. The Board targets to maintain at least the current level of diversity and will review and adjust the proportions of Board composition, over time as and when appropriate, having regard to the long-term development of the Group and the principles of good corporate governance.

During the year ended December 31, 2025, the Board reviewed the Board Diversity Policy to assess its implementation and effectiveness and considered that the policy remains robust and effective for the Group.

Workforce Diversity Policy

The Board adopted a Workforce Diversity Policy, which outlines our approach and commitment to inclusion and diversity in the workforce (including senior management). The Board believes that a diverse workforce and an inclusive culture support the Company in creating a dynamic environment that leads to higher performance and fosters staff well-being. We are committed to fostering an inclusive, diverse, and supportive workplace where all employees are valued, respected, and treated fairly with equal access to opportunities. The Group adheres to non-discriminatory employment practices and procedures and provides training and development opportunities that address the specific needs and career aspirations of diverse employees.

The Company is always committed to building an equal, inclusive, and harmonious career platform for employees. As of December 31, 2025, our total workforce (including senior management) comprised 40% female and 60% male, and the total workforce (excluding senior management) comprised 41% female and 59% male. The Board considered that the Company maintains a relatively balanced gender ratio across the workforce.

Corporate Governance Report

DIVIDEND POLICY

The Board has approved and adopted a dividend policy (the “**Dividend Policy**”). The payment of dividend is subject to the compliance with related laws and regulations, including the laws of Cayman Islands, Articles of Association, the Listing Rules, and the financial reporting standards that the Group has adopted. The Board will continually review the Dividend Policy from time to time and reserves the right to amend or modify the Dividend Policy as and when the Board may deem necessary. There can be no assurance that dividends will be paid in any particular amount for any given period.

The Company intends to create long-term value for the Shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements and capturing future growth opportunities. When considering the declaration and payment of dividends, the Board shall take into account the following factors of the Group:

- (i) the Group’s actual and expected financial performance;
- (ii) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (iii) the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- (iv) the Group’s liquidity position;
- (v) contractual restrictions under the facilities agreement on the payment of dividends by the Company to the Shareholders or by the Company’s subsidiaries to the Company;
- (vi) taxation considerations;
- (vii) general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (viii) other factors that the Board deems relevant.

Depending on the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as:

1. interim dividend;
2. final dividend;
3. special dividend; and
4. any distribution of net profits that the Board may deem appropriate.

Corporate Governance Report

Any final dividend for a financial year will be subject to the Shareholders' approval. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association.

The Company does not have any pre-determined dividend distribution ratio and the Company's dividend distribution record in the past, if any, may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

COMPANY SECRETARY

The company secretary of the Company (the "**Company Secretary**") supports the Board by ensuring good information flow within the Board and that board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance and the implementation of the CG Code. The Company Secretary is an employee of the Company and has day-to-day knowledge of the Group affairs.

The Company Secretary reports to the Chairman and the CEO. All Directors also have access to the advice and services of the Company Secretary to ensure that all applicable laws, rules and regulations are followed. The selection, appointment and dismissal of the Company Secretary is subject to the Board approval.

Ms. SUEN Ka Yan ("**Ms. SUEN**"), has been the Company Secretary since May 27, 2024. The primary contact person of the Company was Ms. HAN Run, a Director of the Company. On December 19, 2025, Ms. SUEN tendered her resignation as the Company Secretary and Ms. CHU Ka Ying ("**Ms. CHU**") was appointed as the Company Secretary. Ms. CHU is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and she has been joined the Company since April 2025.

Ms. CHU and Ms. SUEN each confirmed that each of them had taken no less than 15 hours of relevant professional training during the year ended December 31, 2025 pursuant to Rule 3.29 of the Listing Rules.

Corporate Governance Report

AUDITOR'S REMUNERATION

The fees paid/payable to the Auditor in respect of audit and audit related services and non-audit services for the year ended December 31, 2025 are analyzed below. The non-audit services mainly include professional services on tax filing and advisory services. The Audit Committee is satisfied that the non-audit services in 2025 did not affect the independence of the Auditor.

Type of services provided by the Auditor	Fees paid/payable US\$000
Audit and audit related services	933
Non-audit services	
– Tax related services	7
– Others	17
Total	957

REAPPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee has established a robust process for the reappointment of auditors, which includes challenging and assessing the effectiveness of handling key audit issues by the auditors. The Audit Committee considered that Ernst & Young, who has served the Company as the Auditor since the listing of the Company, has demonstrated their strong commitment to audit quality, integrity, objectivity and independence. The Audit Committee is also satisfied with Ernst & Young's knowledge in the industry, technical competence and its expertise in handling technical matters efficiently and effectively. In addition, the Audit Committee has considered all relationships (including provision of non-audit services) between the Company and Ernst & Young when assessing auditors' independence and objectivity. The engagement partner on the audit remains unchanged throughout the tenure and will be subject to five consecutive years cooling off period after seven cumulative service years in accordance with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. Based on the robust evaluation that has been taken place to date, the Audit Committee recommended the reappointment of Ernst & Young (who has indicated its willingness to continue in office) as the Auditor for the year 2026.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility to oversee, establish and maintain risk management and internal control systems on an ongoing basis and review their effectiveness. The Audit Committee is delegated with the authority from the Board to oversee the Company's management in design, implementation and monitoring of the risk management and internal control systems. It also advises the Board on the Company's risk-related matters.

We have adopted and implemented comprehensive internal control and risk management policies in various aspects of our business operations such as quality control, financial reporting, information system, internal control, human resources and information system risk management. The Board also conducted annual review to ensure the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions, as well as the Company's ESG performance and reporting.

Corporate Governance Report

The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has conducted an annual review of the risk management and internal control system of the Group for the year ended December 31, 2025 and considered that the financial reporting, risk management and internal control system of the Group was adequate and effective. No significant control failings or weaknesses were identified in the current reporting period, or that were previously reported but remain unresolved.

Quality Control and Product Safety Internal Control

We maintain the highest level of quality in our products and we therefore implement quality control measures throughout our operational flow. Our quality control team formulates our quality control policy and ensures our compliance with all applicable regulations, standards and internal policies at all times. Our quality control process generally comprises:

- (i) research and development quality control;
- (ii) quality control of component and raw material suppliers and OEM suppliers; and
- (iii) market feedback quality control.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, financial statement preparation policies. We take steps to implement accounting policies. Our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

The statement of the Auditor about its reporting responsibilities for the Consolidated Financial Statements is set out in the "Independent Auditor's Report". There was no change in the Auditor in the preceding three financial years.

Legal Risk Management

In accordance with our procedures, our in-house legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties to perform their obligations under our business contracts and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements.

We also have detailed internal procedures in place to ensure that our in-house quality and legal departments review our products and services, including upgrades to existing products, for regulatory compliance before they are made available to the general public. Our in-house quality and legal departments are responsible for obtaining any requisite governmental pre-approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

For IP-related issues, we have an in-house legal team supported by devoted and specialized outside IP legal advisors, to assist us in registering, applying and reviewing the relevant patent and trademark rights of our IPs.

We continually review the implementation of our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Corporate Governance Report

Human Resources Risk Management

We set out systematic internal rules and guidelines for our employees, including best commercial practice, work ethics and a prevention mechanism to avoid fraud, negligence and corruption. We provide employees with regular training and resources to keep them abreast of the guidelines contained in the employee handbook and the Code. We formulate the recruitment plan for the upcoming year based on current turnover rate and our future business plan, and we constantly improve our recruitment process with the aid of information technology. We also have a rigorous background check process for our new employees.

In addition, we provide specialized trainings tailored to the needs of our employees in different departments. Through such training, we ensure that our employees' skill sets remain up-to-date.

We also have in place an Anti-Corruption Policy to safeguard against corruption within our Company. We have an internal reporting channel that is open and available for our employees to report any suspected corrupt acts. Our employees can also make anonymous reports to our internal anti-corruption department. We have a team that is responsible for investigating the reported incidents and taking appropriate measures.

Information System Risk Management

Sufficient maintenance, storage and protection of consumer data and our business data are critical to our success. We have implemented relevant internal procedures and controls to ensure that such data is protected and that leakage and loss of such data is avoided. During the Reporting Period, we did not experience any material information leakage or loss of consumer or business data.

Internal Audit

The Company's internal audit department ("**Internal Audit**") reports directly to the Audit Committee. Internal Audit is responsible for performing regular and systematic reviews of the risk management and internal control systems. The reviews provide independent assurance that the risk management and internal control systems continue to operate satisfactorily and effectively within the Group and the Company. Where specialist skills are required, Internal Audit engages an outside professional firm to assist them in their reviews. The attainment of such objectives involves the following activities being carried out by Internal Audit:

- reviewing and appraising the soundness, adequacy and application of operational, financial, compliance and other controls and promoting effective internal control in the Group and the Company;
- ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- ascertaining the extent to which the Group's and the Company's assets are accounted for, managed, and safeguarded from losses of all kinds;
- appraising the reliability and usefulness of information for reporting to management; and
- recommending improvements to the existing systems of risk management and internal control.

Corporate Governance Report

The Internal Audit conducts regular audits on financial, operational and compliance controls and the risk management functions of the Company. The management team are responsible for ensuring that control deficiencies highlighted in internal audit reports are rectified within a reasonable time.

The Internal Audit produces an annual internal audit plan for the Audit Committee's approval. The audits are selected based on risk assessment results of the Company's audit universe to ensure that business activities with higher risks are covered.

On an annual basis, the Internal Audit reports to the Audit Committee on major observations identified in audit reviews and the implementation progress of audit recommendations, together with the opinion on the adequacy and effectiveness of the Company's internal control system. The Audit Committee then discusses the issues and reports to the Board if necessary.

Risk Management

The risk management process is integrated into our daily operations and is an ongoing process involving all parts of the Company. Enterprise Risk Management Policy describes the Company's risk management framework and methodology. A risk-based Three Lines of Defense framework has been adopted.

The Company risk management process comprises of six core stages, from objective settings, to risk identification, risk evaluation and prioritization, risk treatment, risk response, and risk reporting and monitoring. Each risk owner is required to formally identify and assess the significant risks (including ESG risks) facing their businesses with proper management execution to avoid, mitigate or transfer risks. Identified key risks and opportunities are assessed in two dimensions, impact and likelihood, based on the predefined risk assessment criteria which covers both qualitative and quantitative elements. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map forms the risk management report for review and approval by the Audit Committee on an annual basis. The Audit Committee, on behalf of the Board, reviews the report, with the Internal Audit and the Directors and the senior management, to ensure the effective risk management system is in place to respond appropriately to significant business, operational, financial, compliance, ESG and other risks in achieving its objectives.

Information Disclosure

The Company has strict internal controls on the treatment and release of inside information in accordance with relevant requirements of the Listing Rules and the SFO and prohibits any unauthorized use or release of confidential or inside information. The Directors and the senior management of the Company have adopted reasonable measures to ensure proper precautionary measures are in place to prevent the Company from violating relevant disclosure requirements.

Whistleblowing Policy

The Whistleblowing Policy has been established to offer guidance for the reporting and handling of whistleblowing cases. The system is for anyone (employees, customers, or suppliers) to directly report to Internal Audit for any serious concerns about suspected or actual fraud, corruption, breach, malpractice, misconduct or irregularity of the Company and/or our employees. The reported cases will be investigated in a confidential and timely manner and Internal Audit will report the results of investigations to the Audit Committee.

Corporate Governance Report

INVESTOR RELATIONS

General Meetings and Shareholders' Rights

The Company shall hold an annual general meeting each year.

The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid-up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to table resolutions at a general meeting. However, these rights may be provided in the Memorandum and Articles of Association (please refer to the aforesaid procedures for shareholders to requisition a general meeting). The Memorandum and Articles of Association do not provide our Shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such Shareholders.

Communication with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The Chairman ensures that appropriate steps are taken to provide effective communication with Shareholders and that their views are communicated to the Board as a whole.

To promote effective communication, the Company always maintains on an ongoing dialogue with Shareholders and other investors through the various communication channels set out in the Shareholder's Communication Policy, including but not limited to publishing up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com). The Shareholders and investor engagement and communication activities conducted in the Reporting Period received considerable positive feedback. The Board reviewed the Shareholder's Communication Policy, and was satisfied with its implementation and effectiveness.



Corporate Governance Report

The general meetings of the Company provide a forum and an important channel for communication between the Board and the Shareholders. The chairman of the Board as well as chairpersons of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available normally at the annual general meetings and other relevant general meetings to answer questions. Shareholders are also encouraged to attend general meetings held by the Company and are invited to express their views and raise questions thereat.

Shareholders should direct their enquiries about their shareholdings to the Company Secretary or Tricor Investor Services Limited ("**Tricor**"), the Company's branch share registrar in Hong Kong. The contact details of Tricor are set forth below:

- Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
- Telephone: (852) 2980 1333
- Facsimile: (852) 2861 1465

The contact details for Shareholders' enquiries with the Company and for putting forward requisitions are set forth below:

- Mailing address: Unit 1, 39/F, East Tower of Cheung Kong Center II, 10 Harcourt Road, Central, Hong Kong
- Telephone number: (852) 2310 8035
- E-mail address: ir@jsgloballife.com

AMENDMENTS TO CONSTITUTIONAL DOCUMENT

There was no change in constitutional documents of the Company during the Reporting Period.

In order to align with the latest legal and regulatory requirements of the Listing Rules and the Companies Ordinance and to make other consequential and housekeeping amendments to the Memorandum and Articles of Association, a special resolution will be proposed at the forthcoming Annual General Meeting for the Shareholders to consider and, if thought fit, approve the adoption of a new set of the Memorandum and Articles of Association.

Independent Auditor's Report



Ernst & Young
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To the shareholders of JS Global Lifestyle Company Limited (Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of JS Global Lifestyle Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 89 to 220, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”) 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 (“**HKSAs**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Independent Auditor's Report

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
<p><i>Revenue recognition</i></p> <p>Revenue from contracts with customers is recognized when the control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group's revenue for the year ended December 31, 2025 amounted to US\$1,660 million.</p> <p>There is a risk that revenue may be overstated because of fraud. Revenue as a key performance indicator of how the Group measures its performance creates financial incentives and pressures that entice management to falsify accounting records.</p> <p>Some contracts for the sale of products provide customers with rights of return and sales rebates. The rights of return and sales rebates give rise to variable consideration. Consideration payable to a customer also includes credit that can be applied against amounts owed to the Group. The Group accounts for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct goods or service. Judgments required by management to estimate variable consideration and consideration payable to a customer are complex due to the diverse range of contractual agreements and commercial practice across the Group's markets.</p> <p>The Group's disclosures about revenue recognition are included in note 2.4 <i>Material accounting policies</i>, note 3 <i>Significant accounting judgments and estimates</i> and note 5 <i>Revenue</i> to the financial statements.</p>	<p>Our audit procedures included, but not limited to, the following:</p> <ul style="list-style-type: none"> Reviewing the key terms of major contracts with customers and assessed the accounting policy applied by the Group; Performing walkthroughs to obtain an understanding of the design of the revenue cycle for all significant streams and tested controls in the revenue recognition; Performing confirmation procedures to confirm revenue and balances of trade receivables for certain customers; Evaluating management's assumptions of estimating variable consideration and payments to customers not for a distinct goods or service by analyzing contract terms, historical information and commercial practice; Performing substantive analytical reviews to understand how the revenue has trended over the year and detailed testing on transactions during the year by tracing to agreements, invoices and shipment records; Testing revenue transactions close to the year end to check whether they were recorded in the correct periods; Testing the journal entries related to revenue recognition focusing on unusual or irregular transactions; and Evaluating the adequacy of related disclosures in the financial statements.

Independent Auditor's Report

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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



Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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.

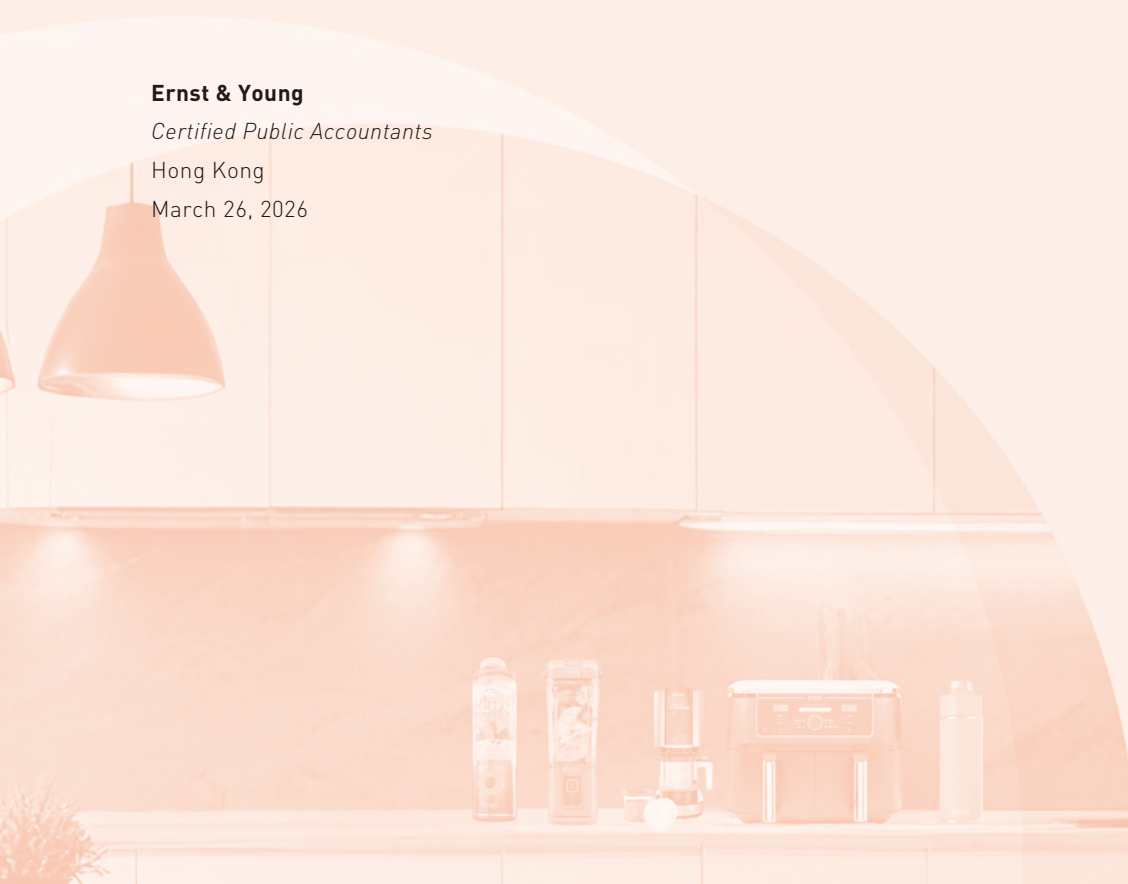
The engagement partner on the audit resulting in this independent auditor's report is Cheong Ming Yik (practising certificate number: P04626).

Ernst & Young

Certified Public Accountants

Hong Kong

March 26, 2026



Consolidated Statement of Profit or Loss

For the year ended December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
REVENUE	5	1,659,563	1,593,585
Cost of sales		(1,125,704)	(1,083,397)
Gross profit		533,859	510,188
Other income and gains	6	23,330	104,311
Selling and distribution expenses		(355,108)	(331,522)
Administrative expenses		(202,946)	(258,403)
Impairment losses on financial assets		(66)	(1,254)
Other expenses		(12,480)	(12,063)
Finance costs	8	(2,833)	(2,232)
Share of profits and losses of associates	20	575	(1,370)
(LOSS)/PROFIT BEFORE TAX	7	(15,669)	7,655
Income tax (expense)/credit	11	(3,161)	1,097
(LOSS)/PROFIT FOR THE YEAR		(18,830)	8,752
Attributable to:			
Owners of the parent		(24,150)	6,209
Non-controlling interests		5,320	2,543
		(18,830)	8,752
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic			
– For (loss)/profit for the year		US\$(0.7) cents	US\$0.2 cents
Diluted			
– For (loss)/profit for the year		US\$(0.7) cents	US\$0.2 cents

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	2025 US\$'000	2024 US\$'000
(LOSS)/PROFIT FOR THE YEAR	(18,830)	8,752
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	12,939	(9,941)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	12,939	(9,941)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Financial assets designated at fair value through other comprehensive income:		
Changes in fair value	1,304	(2,433)
Income tax effect	(215)	316
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	1,089	(2,117)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	14,028	(12,058)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(4,802)	(3,306)
Attributable to:		
Owners of the parent	(14,324)	(4,678)
Non-controlling interests	9,522	1,372
	(4,802)	(3,306)

Consolidated Statement of Financial Position

As at December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	91,720	85,126
Investment properties	15	16,088	12,583
Prepaid land lease payments	16	13,132	12,982
Right-of-use assets	17	13,412	17,422
Goodwill	18	5,848	5,848
Other intangible assets	19	5,888	4,416
Investments in associates	20	17,541	17,185
Financial assets at fair value through profit or loss	21	43,470	137,435
Financial assets designated at fair value through other comprehensive income	21	40,144	37,228
Deferred tax assets	32	37,235	27,524
Other non-current assets	22	4,896	11,604
Total non-current assets		289,374	369,353
CURRENT ASSETS			
Inventories	23	140,837	154,112
Trade and bills receivables	24	447,571	399,188
Prepayments, other receivables and other assets	25	39,981	65,482
Financial assets at fair value through profit or loss	21	98,925	79,035
Pledged deposits	26	63,195	70,060
Cash and cash equivalents	26	556,347	359,580
Total current assets		1,346,856	1,127,457
CURRENT LIABILITIES			
Trade and bills payables	27	555,534	522,265
Other payables and accruals	28	291,403	243,416
Other current financial liabilities	29	5,153	457
Interest-bearing bank borrowings	30	49,952	-
Lease liabilities	17	4,425	5,352
Tax payable		4,967	775
Total current liabilities		911,434	772,265

Consolidated Statement of Financial Position

As at December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
NET CURRENT ASSETS		435,422	355,192
TOTAL ASSETS LESS CURRENT LIABILITIES		724,796	724,545
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	30	30,000	15,000
Lease liabilities	17	9,753	12,436
Deferred tax liabilities	32	2,504	3,939
Other non-current liabilities	33	1,144	997
Total non-current liabilities		43,401	32,372
Net assets		681,395	692,173
EQUITY			
Equity attributable to owners of the parent			
Issued capital	34	34	34
Treasury shares		(16,143)	(30,103)
Share premium		433,388	433,388
Capital reserve		(62,057)	(60,719)
Reserves	36	164,931	191,711
		520,153	534,311
Non-controlling interests		161,242	157,862
Total equity		681,395	692,173

Wang Xuning

Director

Han Run

Director



Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to owners of the parent											
	Issued capital US\$'000 (note 34)	Treasury shares US\$'000	Share premium US\$'000	Capital reserve US\$'000	Statutory reserve* US\$'000 (note 36)	Share award reserve* US\$'000	Fair value reserve* US\$'000	Foreign currency		Retained profits* US\$'000	Non- controlling Total interests US\$'000	Total equity US\$'000
								translation	reserve*			
								US\$'000	US\$'000			
At January 1, 2025	34	(30,103)	433,388	(60,719)	54,475	(4,820)	(349)	(34,679)	177,084	534,311	157,862	692,173
Profit for the year	-	-	-	-	-	-	-	-	(24,150)	(24,150)	5,320	(18,830)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	9,096	-	9,096	3,843	12,939
Change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	730	-	-	730	359	1,089
Total comprehensive income for the year	-	-	-	-	-	-	730	9,096	(24,150)	(14,324)	9,522	(4,802)
Equity-settled share award scheme	-	-	-	-	-	1,504	-	-	-	1,504	21	1,525
Settlement of share award scheme (a)	-	13,960	-	-	-	4,820	-	-	(18,780)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,116)	(5,116)
Acquisition of non-controlling interests	-	-	-	(1,338)	-	-	-	-	-	(1,338)	(1,047)	(2,385)
At December 31, 2025	34	(16,143)	433,388	(62,057)	54,475	1,504	381	(25,583)	134,154	520,153	161,242	681,395

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to owners of the parent											
	Issued capital US\$'000 (note 34)	Treasury shares US\$'000	Share premium US\$'000	Capital reserve US\$'000	Statutory reserve* US\$'000 (note 36)	Share award reserve* US\$'000	Fair value reserve* US\$'000	Foreign currency		Retained profits* US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
								translation	reserve*			
								US\$'000	US\$'000			
At January 1, 2024	34	(47,495)	433,388	(60,719)	54,475	12,093	1,071	(25,212)	167,830	535,465	162,700	698,165
Profit for the year	-	-	-	-	-	-	-	-	6,209	6,209	2,543	8,752
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(9,467)	-	(9,467)	(474)	(9,941)
Change in fair value of financial assets designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(1,420)	-	-	(1,420)	(697)	(2,117)
Total comprehensive income for the year	-	-	-	-	-	-	(1,420)	(9,467)	6,209	(4,678)	1,372	(3,306)
Equity-settled share award scheme	-	-	-	-	-	3,524	-	-	-	3,524	(222)	3,302
Settlement of share award scheme (a)	-	17,392	-	-	-	(20,437)	-	-	3,045	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,988)	(5,988)
Contribution from shareholders of a subsidiary (b)	-	-	-	1,094	-	-	-	-	-	1,094	537	1,631
Disposal of a subsidiary (b)	-	-	-	(1,094)	-	-	-	-	-	(1,094)	(537)	(1,631)
At December 31, 2024	34	(30,103)	433,388	(60,719)	54,475	(4,820)	(349)	(34,679)	177,084	534,311	157,862	692,173

Notes:

* The reserve accounts comprise the consolidated reserves of US\$164,931,000 (2024: US\$191,711,000) in the consolidated statement of financial position.

(a) The treasury shares and the share award reserve were transferred to retained profits upon the vesting of shares.

(b) The contribution from shareholders of a subsidiary was from shareholders of non-controlling interest of a newly acquired subsidiary amounting to US\$1,631,000. The newly acquired subsidiary was disposed of in 2024 which resulted in the decrease of capital reserve and non-controlling interest.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(15,669)	7,655
Adjustments for:			
Finance costs		2,833	2,232
Share of profits and losses of associates		(575)	1,370
Bank interest income	6	(11,696)	(13,058)
Gain on disposal of items of property, plant and equipment	6	(72)	(888)
Gain on disposal of investments in associates	6	(47)	(1,204)
Gain on disposal of an investment in a subsidiary	6	-	(9,669)
(Loss)/gain on financial assets at fair value through profit or loss, net	7	9,609	(63,006)
Depreciation of property, plant and equipment	14	14,900	10,789
Depreciation of investment properties	15	1,921	1,640
Depreciation of right-of-use assets	17	6,383	5,712
Amortization of prepaid land lease payments	16	381	383
Amortization of other intangible assets	19	500	385
Impairment of inventories	23	1,434	3,451
Impairment of trade receivables, net	24	1,231	806
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets		(1,165)	448
Share award expense		40,975	99,506
Exchange (gains)/losses		(3,113)	7,428
		47,830	53,980
Decrease/(increase) in inventories		11,841	(38,793)
Increase in trade and bills receivables		(49,004)	(3,415)
(Increase)/decrease in prepayments, other receivables and other assets		(2,774)	15,254
Recognition of right-of-use assets		(2,637)	(18,006)
Recognition of lease liabilities		2,485	18,006
Increase in other non-current assets/liabilities		(1,750)	(1,067)
Increase in trade and bills payables		33,269	46,670
Increase/(decrease) in other payables and accruals		72,201	(11,369)
Increase in derivative financial liabilities		-	457

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
Cash generated from operations		111,461	61,717
Interest received		11,696	13,058
Income tax paid		(6,209)	(18,743)
Net cash flows from operating activities		116,948	56,032
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	14	(14,794)	(8,131)
Additions to other intangible assets	19	(1,818)	(691)
Proceeds from disposal of a subsidiary		9,065	13,945
Proceeds from disposal of investments in associates		2,741	10,401
Recover the loan from a disposed subsidiary		7,771	-
Purchases of financial assets at fair value through profit or loss		(297,113)	(3,720)
Dividends/interest received from financial assets at fair value through profit or loss		626	1,761
Proceeds from disposal of financial assets at fair value through profit or loss		298,789	5,494
Purchases of financial assets designated at fair value through other comprehensive income		(691)	-
Proceeds from disposal of property, plant and equipment, prepaid land lease payments and intangible assets other than goodwill		259	3,086
Acquisition of subsidiaries		-	(13,780)
Acquisition of non-controlling interests		(2,385)	-
Decrease/(increase) in pledged deposits		6,865	(13,768)
Net cash flows from/(used in) investing activities		9,315	(5,403)

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Notes	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(6,496)	(5,958)
New bank loans	30	79,952	15,000
Repayment of bank loans		(15,000)	-
Cash flow from other finance activities		5,120	-
Dividends paid		(5,116)	(5,988)
Interest and other finance costs paid		(1,987)	(1,737)
Net cash flows from financing activities		56,473	1,317
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		359,580	319,801
Effect of foreign exchange rate changes, net		14,031	(12,167)
CASH AND CASH EQUIVALENTS AT END OF YEAR		556,347	359,580
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	556,347	359,580
Non-pledged time deposits with original maturity of less than three months when acquired	26	-	-
		556,347	359,580

Notes to Financial Statements

December 31, 2025

1. Corporate and group information

JS Global Lifestyle Company Limited (JS环球生活有限公司, the “**Company**”) is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the following principal activities:

- design, manufacture, marketing, export and distribution of a full range of small kitchen electrical appliances under the brand of “Joyoung”; and
- design, marketing, manufacture, provision of sourcing services, export, import and distribution of a full range of cleaning appliances, kitchen appliances, personal care appliances and home environment appliances under the brands of “Shark” and “Ninja”.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is JS&W Global Holding Limited Partnership (“**JS&W Global**”), which is incorporated in the Cayman Islands.



Notes to Financial Statements

December 31, 2025

1. Corporate and group information (continued)

Information about subsidiaries

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
JS (BVI) Holding Limited ("JS (BVI)")	British Virgin Islands	HK\$1	100	–	Investment holding
JS Global Capital Management Limited	British Virgin Islands	US\$50,000	100	–	Investment holding
Easy Appliance Limited	British Virgin Islands	US\$50,000	100	–	Investment holding
Easy Appliance Hong Kong Limited	Hong Kong SAR ("Hong Kong")	HK\$1	–	100	Investment holding
JS Global Trading HK Limited ("JS Global Trading")	Hong Kong	HK\$1	–	100	Investment holding and procurement platform for the Asia Pacific subsidiaries
Shanghai Lihong Management Co., Ltd. ¹ ("上海力鴻企業管理有限公司") ("Shanghai Lihong")	PRC/Chinese mainland	RMB321.4 million	–	100	Enterprise management, retailing of home appliances and import and export
Hangzhou Yihao Management Co., Ltd. ¹ ("杭州頤豪企業管理有限公司") ("Hangzhou Yihao")	PRC/Chinese mainland	–	–	100	Enterprise management, retailing of home appliances and import and export

Notes to Financial Statements

December 31, 2025

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zheng Hong Development Company Limited ("Zheng Hong")	Hong Kong	EUR41 million	-	100	Manufacture and sale of home appliances, housing leasing, advertising and consultancy
Joyoung Co., Ltd. ² ("九陽股份有限公司")	PRC/Chinese mainland	RMB767.02 million	-	67	Manufacture and sale of home appliances, housing leasing, advertising and consultancy
Hangzhou Joyoung Household Electric Appliances Limited ¹ ("杭州九陽小家電有限公司")	PRC/Chinese mainland	RMB976.3 million	-	67	Research and development, manufacture and sale of home appliances and import and export
Hangzhou Joyoung Life Electric Co., Limited ¹ ("杭州九陽生活電器有限公司")	PRC/Chinese mainland	RMB3 million	-	67	Manufacture and sale of home appliances
Hangzhou Joyoung Water Purification System Co., Limited ¹ ("杭州九陽淨水系統有限公司")	PRC/Chinese mainland	RMB81 million	-	67	Research and development, manufacture and sale of water purification equipment and import and export



Notes to Financial Statements

December 31, 2025

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hangzhou Joyoung Electronic Technology Co., Limited ^{1,3} ("杭州九陽電子信息技術有限公司")	PRC/Chinese mainland	RMB50 million	-	67	Development of IT, e-commerce, manufacture, wholesale and retailing of home appliances
Joyoung Holdings (Hong Kong) Limited ("九陽股份(香港)有限公司")	Hong Kong	US\$900,000	-	67	Manufacture and sale of home appliances
Shandong Jiuchuang Household Electric Appliances Co., Ltd. ¹ ("山東九創家電有限公司")	PRC/Chinese mainland	RMB5 million	-	67	Manufacture and sale of home appliances
SharkNinja (China) Technology Co., Limited ¹ ("尚科寧家(中國)科技有限公司")	PRC/Chinese mainland	RMB150 million	-	67	Sale, installation and maintenance of home appliances, e-commerce and import and export
Hangzhou Jiuchuang Household Electric Appliances Co., Ltd. ¹ ("杭州九創家電有限公司")	PRC/Chinese mainland	RMB48 million	-	67	Manufacture and sale of home appliances
Lishui Jiuchuang Household Electric Appliances Co., Ltd. ¹ ("麗水九創家電有限公司")	PRC/Chinese mainland	RMB5 million	-	67	Manufacture and sale of home appliances
Shandong Joyoung Household Electrical Appliances Co., Ltd. ¹ ("山東九陽生活電器有限公司")	PRC/Chinese mainland	RMB3 million	-	67	Manufacture and sale of home appliances

Notes to Financial Statements

December 31, 2025

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Joyoung (Hong Kong) Technology Innovation Center Limited ("九陽股份(香港)科技創新中心有限公司")	Hong Kong	US\$1	-	67	Research and development
Zhuhai Hengqin Jiujiu Time Equity Investment Fund Partnership (L.P.) ("珠海橫琴玖玖時光股權投資基金合夥企業(有限合夥)") ¹	PRC/Chinese mainland	RMB100.01 million	-	66	Equity investment
Hangzhou JS Household Electric Appliances Co., Ltd. ¹ ("杭州九尚小家電有限公司")	PRC/Chinese mainland	RMB1 million	-	100	Administrative service
Shenzhen JS Household Electric Appliances Co., Ltd. ¹ ("深圳九尚小家電有限公司")	PRC/Chinese mainland	RMB1 million	-	100	Procurement and office support service
SharkNinja APAC Holding Pte. Ltd.	Singapore	US\$8.5 million	-	100	Regional head office
SharkNinja Pty. Ltd.	Australia	AU\$12.8 million	-	100	Sale of home appliances
Mann & Noble Retail Brands Malaysia Sdn. Bhd.	Malaysia	RM\$1 million	-	100	Sale of home appliances
SharkNinja Singapore Pte. Ltd.	Singapore	SG\$1	-	100	Sale of home appliances

Notes to Financial Statements

December 31, 2025

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
SharkNinja New Zealand Ltd.	New Zealand	NZ\$100	-	100	Sale of home appliances
SharkNinja G.K.	Japan	JPY1 million	-	100	Sale of home appliances
SharkNinja Korea Limited	Korea	KRW100 million		100	Sale of home appliances
SN APAC Holding HK Limited	Hong Kong	RMB1		100	Investment holding and procurement platform for Asia Pacific subsidiaries
Joyoung International Holding HK Limited	Hong Kong	RMB1		100	Sale of home appliances

¹ Registered as limited liability companies under PRC law.

² Joyoung Co., Ltd. is a company registered in the PRC on July 8, 2002 and its A Shares have been listed on the Shenzhen Stock Exchange since May 28, 2008 under the stock code 002242. As at December 31, 2025, the Company indirectly held an approximately 67% equity interest in Joyoung Co., Ltd. through Shanghai Lihong and JS Global Capital. Therefore, the Company was considered as having control over Joyoung Co., Ltd. as at December 31, 2025.

³ The company was deregistered in 2025.

Notes to Financial Statements

December 31, 2025

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Standing Interpretations) as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial liabilities associated with the put option which have been measured at fair value. These financial statements are presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand (US\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.1 Basis of preparation (continued)****Basis of consolidation (continued)**

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

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

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

2.2 Changes in accounting policies and disclosures

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS accounting standards

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

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

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

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

³ No mandatory effective date yet determined but available for adoption



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS accounting standards (continued)

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

- (a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- (b) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:
 - *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Notes to Financial Statements

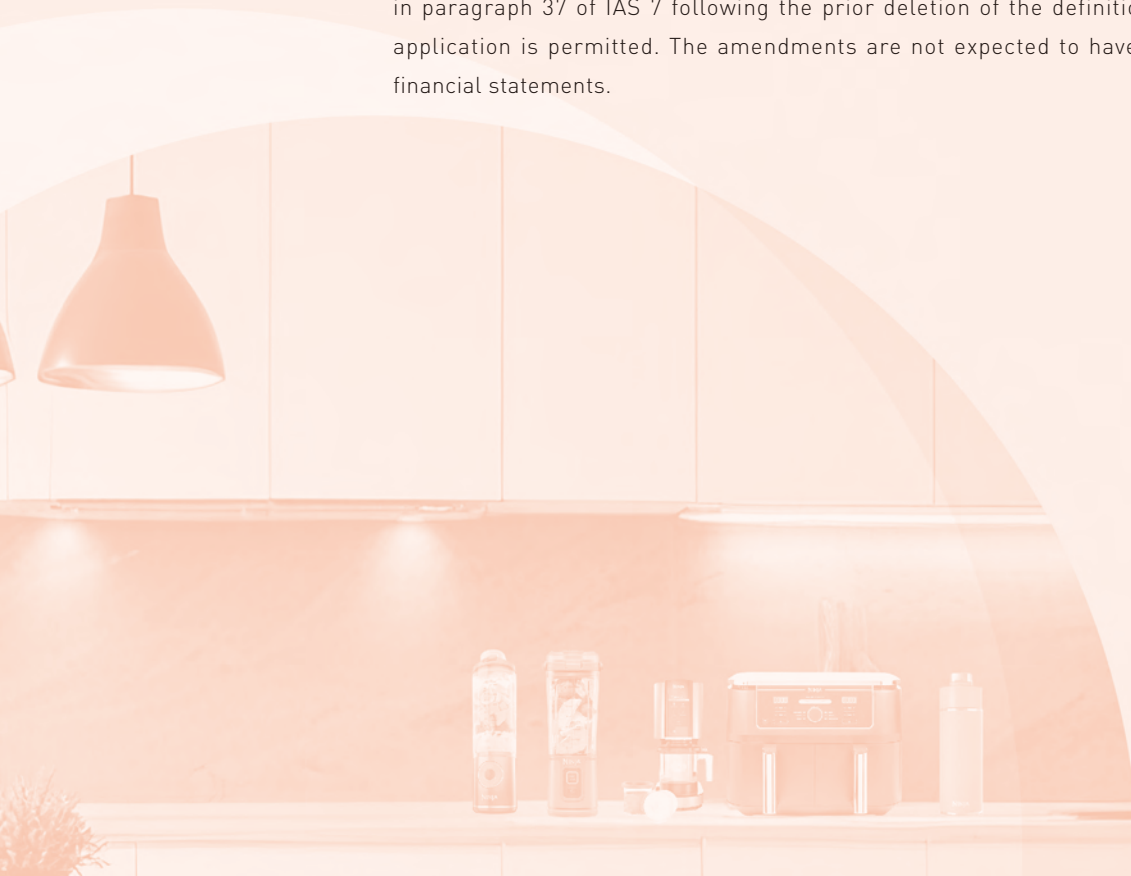
December 31, 2025

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS accounting standards (continued)

(b) [continued]

- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS accounting standards (continued)

- (c) IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.
- (d) IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.3 Issued but not yet effective IFRS accounting standards (continued)

- (e) Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- (f) Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies****Investments in associates**

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

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

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

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Business combinations and goodwill

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

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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

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



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

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

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

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Fair value measurement

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

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

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

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

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies (continued)****Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Related parties

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies (continued)****Property, plant and equipment and depreciation**

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

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

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

Buildings	2.5% to 4%
Leasehold improvements	Over the shorter of the lease terms and estimated useful life
Furniture and fixtures	7.5% to 32.33%
Machinery	6.0% to 19%
Motor vehicles	33.33%

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

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

Construction in progress represents the Group's buildings, leasehold improvements, furniture and fixtures and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction during the period of construction. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as right-of-use assets which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

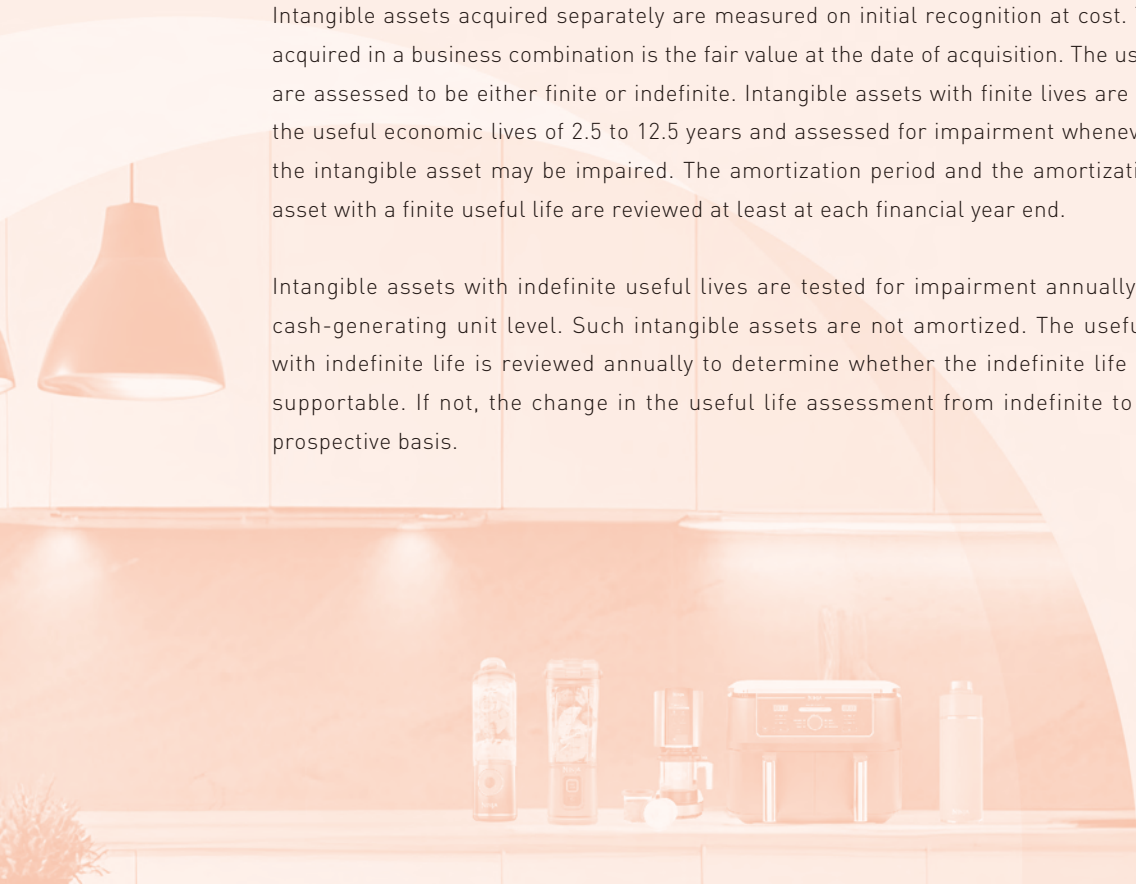
Depreciation is calculated on the straight-line basis to write off the cost of each item of investment properties to its residual value over its estimated useful life of 20 to 40 years.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its carrying amount at the date of change in use and vice versa. No gain or loss is recognized in profit or loss during the change in use of the property.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic lives of 2.5 to 12.5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Patents

Patents are stated at cost less any impairment losses and are amortized on the straight-line basis over their remaining legal lives of 2.5 to 12.5 years since being purchased.

The patents included a wide range of patents which covers and protects the design and utility for the technology that was applied to the products of the Group. Each patent can contribute to several products and can be used for several generations of products. The Group's technology is considered one of the successful factors to the business and operation. Based on the historical lives of the Group's products and technology, the technology content growth is slow and existing technology will be gradually developed and replaced by new technology. Management expected most of the estimated economic benefit would be realized in 10 years even though the remaining legal terms of individual registered patents are 15 years. The patents are subsequently amortized on the straight-line basis of 10 years, which is the shorter of the legal terms and the estimated useful life.

Research and development costs

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

Certain consulting, prototype, legal and other expenditures incurred on projects to develop new core components of new product categories are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortized on the straight-line basis from the date when they are available for use over their estimated useful lives of 10 years with reference to the historical life cycle of core components of a similar kind which can be utilized in several generations of products.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Software

Software is stated at cost less any impairment losses and is amortized on the straight-line basis over its estimated useful life of 3 to 10 years.

Golf club membership

The golf club membership at the Hong Kong Golf club is of indefinite useful life, thus, it is not amortized and is tested for impairment annually.

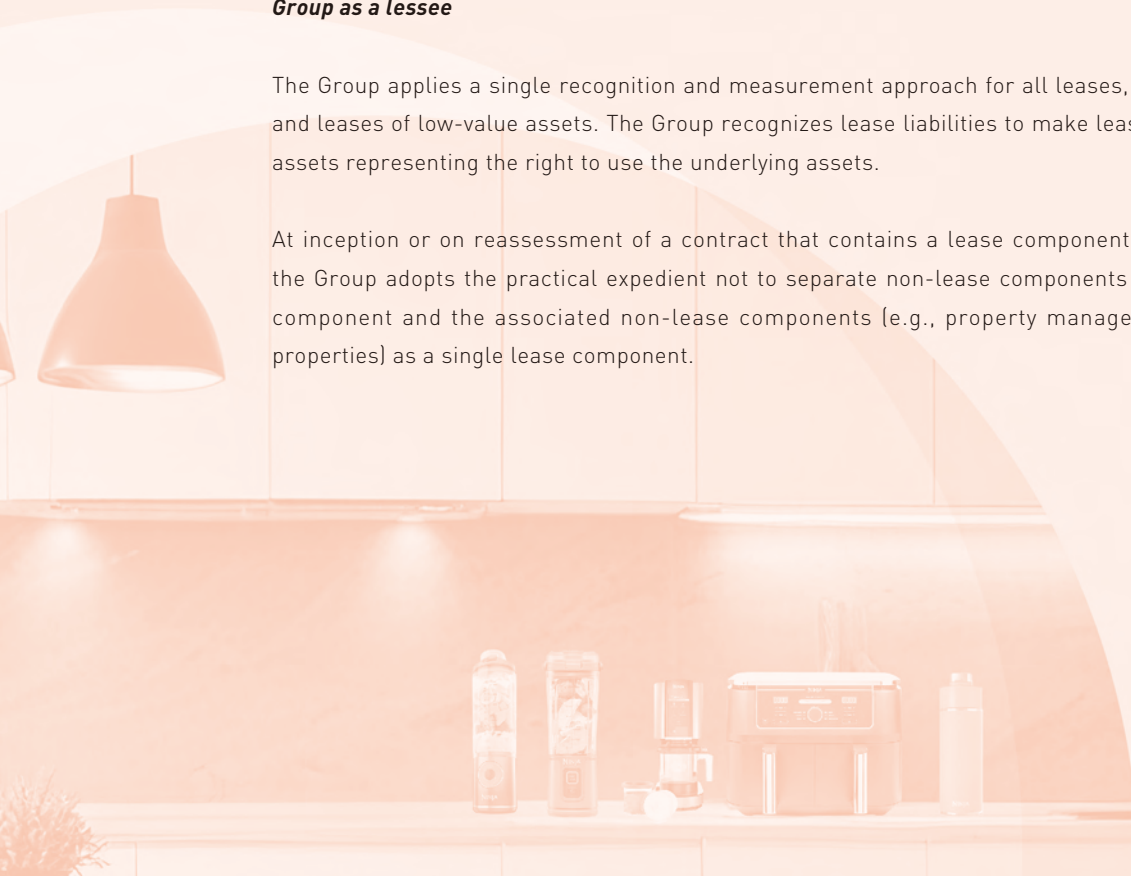
Leases

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

Group as a lessee

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

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies (continued)****Leases (continued)*****Group as a lessee (continued)******(a) Right-of-use assets***

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

Buildings and warehouses	2 to 12 years
Motor vehicles	2 to 5 years

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

(b) Lease liabilities

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

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

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

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

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortized cost (debt instruments)

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

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

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

Financial assets designated at fair value through other comprehensive income (equity investments)

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognized as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividends will flow to the Group and the amount of the dividends can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Derecognition of financial assets (continued)

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

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

Impairment of financial assets

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

General approach

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

Simplified approach

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, derivative financial instruments, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

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

Financial liabilities at amortized cost (trade and other payables, and borrowings)

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognized.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires.

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Treasury shares

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Provisions (continued)

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

The Group provides for warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognized based on sales volume and past experience of the level of repairs and returns.

Income tax

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

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

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Income tax (continued)

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

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

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

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

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



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) *Sale of products*

Revenue from the sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Some contracts for the sale of products provide customers with rights of return and sales rebate. The Group provides extended warranties which are accounted for as service-type warranties. The rights of return and sales rebates give rise to variable consideration. Consideration payable to a customer also includes credit that can be applied against amounts owed to the Group. The Group accounts for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct goods or service.

(i) Variable consideration

Rights of return

For contracts which provide a customer with a right to return the goods, either the expected value method or the most likely amount method is used to estimate the goods for different contracts and customers that will not be returned. The selected method best predicts the amount of variable consideration to which the Group will be entitled for different contracts and customers. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Sales rebates

Various types of sales rebates may be provided to different customers. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used because this method best predicts the amount of variable consideration in the contract, given the large number of customer contracts that have similar characteristics. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) *Sale of products (continued)*

(iii) Consideration payable to a customer

The Group accounts for consideration payable to a customer as a reduction of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group. If the consideration payable to a customer includes a variable amount, the Group estimates the transaction price, including assessing whether the estimate of variable consideration is constrained. To estimate the variable consideration, the most likely amount method is used, as this method best predicts the amount of variable consideration, given the large number of customer contracts that have similar characteristics.

(b) *Sourcing services*

Revenue from sourcing services is recognized over time, which are principally in supply chain management and consultancy of home appliance products and charged at a mark-up rate of the purchase amount, because the customer simultaneously receives and consumes the benefits provided by the Group.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Other income

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

Rental income is recognized on a time proportion basis over the lease terms.

Dividend income is recognized when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividends will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies (continued)****Contract costs**

Other than the costs which are capitalized as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalized as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalized contract costs are amortized and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Right-of-return assets

A right-of-return asset is recognized for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

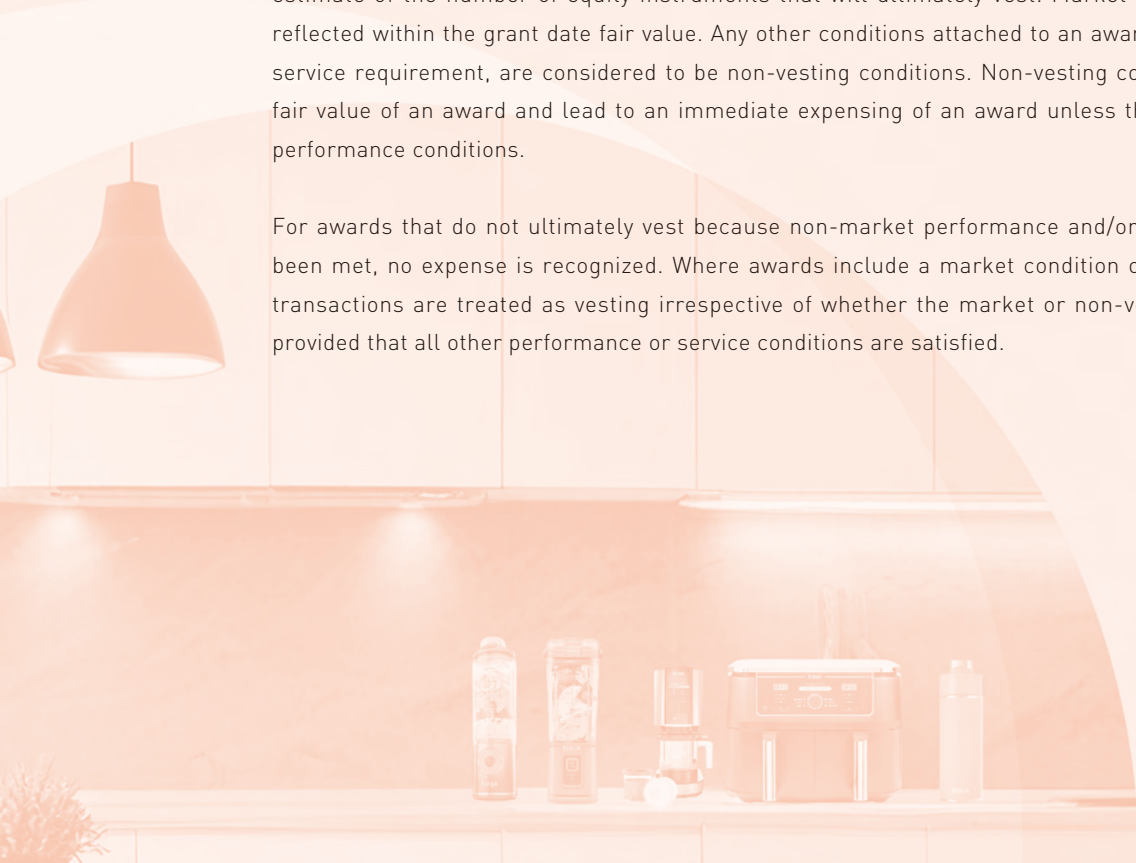
Share-based payments

The Company and some subsidiaries of the Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer, further details of which are given in note 35 to the financial statements.

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

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

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



Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award, and is designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date based on the observable inputs in the stock exchange market (note 35). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognized for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its Hong Kong employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operates in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)**2.4 Material accounting policies (continued)****Dividends**

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

Distribution of non-cash assets to owners

Upon loss of control of a subsidiary through distribution of shares in the subsidiary to the shareholders of the Company where the subsidiary is ultimately controlled by the same parties both before and after the distribution, the Group (a) derecognizes the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and (b) measures the distribution and the liability to distribute non-cash assets as a dividend to its owners at the carrying amount of the net assets to be distributed.

Foreign currencies

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

Notes to Financial Statements

December 31, 2025

2. Accounting policies (continued)

2.4 Material accounting policies (continued)

Foreign currencies (continued)

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

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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

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

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into US\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.



Notes to Financial Statements

December 31, 2025

3. Significant accounting judgments and estimates

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

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Revenue from contracts with customers

The Group applies the following judgments that significantly affect the determination of the amount of revenue from contracts with customers:

Certain contracts for the sale of products include a right of return and sales rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that using a combination of the most likely amount method and the expected value method is appropriate in estimating the variable consideration for the sale of products with rights of return. The selected method best predicts the amount of variable consideration to which the Group will be entitled for different contracts and customers. In estimating the variable consideration for the sale of products with sales rebates and consideration payable to a customer, the Group determined that using the most likely amount method is appropriate.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Notes to Financial Statements

December 31, 2025

3. Significant accounting judgments and estimates (continued)

Estimation uncertainty

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

Variable consideration for returns and sales rebates and consideration payable to a customer

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of return, sales rebates and consideration payable to a customer.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the most likely amount of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected sales rebates are analyzed on a per customer basis for contracts that are subject to different percentages of gross purchase by product categories. Determining whether a customer is likely to be entitled to a sales rebate depends on the customer's historical rebate entitlement, accumulated purchases to date and the negotiated terms of the sales rebate programs.

The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the most likely amount of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group's expected consideration payable to customers is analyzed on a per-customer basis. Determining whether a customer will likely be entitled to the payment and whether the payment will be for a distinct good or service from the customer depends on the customer's historical entitlement and the negotiated terms of different promotion programs.

The Group updates its assessment of expected returns, sales rebates and consideration payable to the customers monthly and the refund liabilities are adjusted accordingly. Estimates of expected returns, sales rebates and consideration payable to the customers are sensitive to changes in circumstances and the Group's past experience regarding returns, sales rebates and consideration payable to the customers entitlement may not be representative of customers' actual returns, sales rebates and consideration payable to the customers entitlement in the future. The amount recognized as refund liabilities as at December 31, 2025 was US\$48,257,000 (2024: US\$24,517,000) for the expected returns, sales rebates and consideration payable to the customers.

Notes to Financial Statements

December 31, 2025

3. Significant accounting judgments and estimates (continued)**Estimation uncertainty (continued)****Impairment of goodwill and intangible assets with indefinite useful lives**

The Group determines whether goodwill and intangible assets with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and intangible assets with indefinite useful lives are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill and intangible assets with indefinite useful lives as at December 31, 2025 was US\$7,794,000 (2024: US\$7,716,000). Further details are given in notes 18 and 19 to the financial statements.

Fair value of financial assets

Where the fair value of financial assets recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimates is required in establishing fair values. The estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group classifies the fair value of these financial assets as Level 3. The fair value of the financial assets at December 31, 2025 was US\$93,021,000 (2024: US\$106,880,000). Further details are included in note 21 to the financial statements.

Equity-settled and cash-settled share award schemes

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is based on an observable market price, which involve estimating performance conditions, service conditions and leaver rate as detailed in note 35 to the financial statements.

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

Notes to Financial Statements

December 31, 2025

3. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Equity-settled and cash-settled share award schemes (continued)

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

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date based on an observable market price (note 35). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognized for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

4. Operating segment information

For management purposes, the Group is organized into business units based on its operations and has two reportable operating segments as follows:

- (a) the Joyoung segment was involved in the design, manufacture, marketing, export and distribution of a full range of small kitchen electrical appliances under the brand of "Joyoung"; and
- (b) the SharkNinja APAC segment, which operates in Asia Pacific Region, was involved in the design, marketing, manufacture, provision of sourcing services, export, import and distribution of a full range of cleaning appliances, kitchen appliances, personal care appliances and home environment appliances under the brands of "Shark" and "Ninja".

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except the head office and corporate income and expenses which are excluded from such measurement. The head office and corporate income and expenses include exchange gains or losses, interest income, non-lease-related finance costs, and other unallocated corporate income and expenses.



Notes to Financial Statements

December 31, 2025

4. Operating segment information (continued)

Year ended December 31, 2025

	Joyoung US\$'000	SharkNinja APAC US\$'000	Total US\$'000
Segment revenue			
Sale of goods	1,121,080	532,561	1,653,641
Sourcing services	-	5,922	5,922
Intersegment sales	9,180	-	9,180
Total segment revenue	1,130,260	538,483	1,668,743
Reconciliation:			
Elimination of intersegment sales			(9,180)
Revenue (note 5)			1,659,563
Segment results	12,950	22,403	35,353
Reconciliation:			
Interest income			321
Exchange gains			5,643
Unallocated income			345
Finance costs			(1,155)
Share award expenses			(40,975)
Fair value loss on shares for share award scheme			(588)
Corporate and other unallocated expenses			(14,613)
Loss before tax			(15,669)
Other segment information			
Share of profits and losses of associates	575	-	575
Impairment of inventories and financial assets recognized in profit or loss	(920)	(580)	(1,500)
Depreciation and amortization	(13,633)	(10,452)	(24,085)
Interest income	11,072	303	11,375
Finance costs	(181)	(1,497)	(1,678)
Investments in associates	17,541	-	17,541
Capital expenditure*	11,734	17,254	28,988

Notes to Financial Statements

December 31, 2025

4. Operating segment information (continued)

Year ended December 31, 2024

	Joyoung US\$'000	SharkNinja APAC US\$'000	Total US\$'000
Segment revenue			
Sale of goods	1,212,469	342,295	1,554,764
Sourcing services	-	38,821	38,821
Intersegment sales	10,989	-	10,989
Total segment revenue	1,223,458	381,116	1,604,574
Reconciliation:			
Elimination of intersegment sales			(10,989)
Revenue (note 5)			1,593,585
Segment results	7,358	48,341	55,699
Reconciliation:			
Interest income			242
Exchange losses			(4,150)
Unallocated income			492
Finance costs			(1,771)
Share award expenses			(99,506)
Fair value gain on shares for share award scheme			78,624
Corporate and other unallocated expenses			(21,975)
Profit before tax			7,655
Other segment information			
Share of profits and losses of associates	(1,370)	-	(1,370)
Impairment of inventories and financial assets recognized in profit or loss	(4,705)	-	(4,705)
Depreciation and amortization	(14,195)	(4,714)	(18,909)
Interest income	12,481	335	12,816
Finance costs	(290)	(171)	(461)
Investments in associates	17,185	-	17,185
Capital expenditure*	11,962	14,591	26,553

* Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets and other intangible assets, including assets from the acquisition of a subsidiary.

Notes to Financial Statements

December 31, 2025

4. Operating segment information (continued)

Geographical information

(a) Revenue disaggregated by location is as follows:

	2025 US\$'000	2024 US\$'000
Chinese mainland	1,016,852	1,003,969
Australia and New Zealand	254,992	147,167
Japan	158,276	112,117
South Korea	90,608	70,459
Other countries/regions	138,835	259,873
Total revenue	1,659,563	1,593,585

(b) Non-current assets

	2025 US\$'000	2024 US\$'000
Chinese mainland	113,800	112,359
Australia and New Zealand	8,633	5,981
Japan	6,433	6,311
Other countries/regions	11,374	7,878
Total non-current assets	140,240	132,529

The non-current assets information above is based on the locations of the assets and included property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets, and intangible assets other than goodwill.

Notes to Financial Statements

December 31, 2025

4. Operating segment information (continued)

Information about major customers

Revenue from major customers individually accounting for more than 10% of total revenue of the Group for the years ended December 31, 2025 and 2024:

	2025 %	2024 %
Customer A	13	15
Customer B	5	12

All revenue derived from other individual external customers was less than 10% of the Group's total revenue for the years ended December 31, 2025 and 2024.

5. Revenue

An analysis of revenue is as follows:

	2025 US\$'000	2024 US\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	1,653,641	1,554,764
Sourcing services	5,922	38,821
Total revenue	1,659,563	1,593,585

Notes to Financial Statements

December 31, 2025

5. Revenue (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 US\$'000	2024 US\$'000
Geographical markets		
Chinese mainland	1,016,852	1,003,969
Australia and New Zealand	254,992	147,167
Japan	158,276	112,117
South Korea	90,608	70,459
Other countries/regions	138,835	259,873
Total revenue from contracts with customers	1,659,563	1,593,585

	2025 US\$'000	2024 US\$'000
Timing of revenue recognition		
Goods transferred at a point in time	1,653,641	1,554,764
Services transferred over time	5,922	38,821
Total revenue from contracts with customers	1,659,563	1,593,585

The following table shows the amount of revenue recognized in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025 US\$'000	2024 US\$'000
Sale of goods	5,989	17,418

Notes to Financial Statements

December 31, 2025

5. Revenue (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

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

Sale of home appliances

The performance obligation is satisfied upon delivery of the home appliances and payment is generally due within 60 and 90 days upon delivery. Some contracts provide customers with a right of return and sales rebates which give rise to variable consideration subject to constraint.

Sourcing services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of sourcing services and normally no payment in advance is required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are as follows:

	2025 US\$'000	2024 US\$'000
Amounts expected to be recognized as revenue:		
Within one year	18,712	5,989

Notes to Financial Statements

December 31, 2025

6. Other income and gains

	Note	2025 US\$'000	2024 US\$'000
Other income			
Bank interest income		11,696	13,058
Net rental income from investment property operating leases		868	604
Government grants		4,772	6,834
Brand licensing income		37	4,746
Others		1,553	3,405
Total other income		18,926	28,647
Gains			
Gain on disposal of items of property, plant and equipment		72	888
Gain on financial assets at fair value through profit or loss, net		-	63,006
Gain on disposal of associates, net	20	47	1,204
Gain on disposal of a subsidiary		-	9,669
Foreign exchange differences, net		3,113	-
Others		1,172	897
Total gains		4,404	75,664
Total other income and gains		23,330	104,311

Notes to Financial Statements

December 31, 2025

7. (Loss)/profit before tax

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

	Notes	2025 US\$'000	2024 US\$'000
Cost of inventories sold		1,125,704	1,083,397
Depreciation of property, plant and equipment	14	14,900	10,789
Depreciation of investment properties	15	1,921	1,640
Depreciation of right-of-use assets	17	6,383	5,712
Amortization of prepaid land lease payments	16	381	383
Amortization of other intangible assets (excluding capitalized development costs)*	19	500	385
Research and development expenses		39,023	51,417
Lease payments not included in the measurement of lease liabilities	17(b)	3,746	3,182
Auditor's remuneration		933	850
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		137,553	127,007
Share award expenses		1,219	2,034
Pension scheme contributions**		9,568	11,531
Total		148,340	140,572

Notes to Financial Statements

December 31, 2025

7. (Loss)/profit before tax (continued)

	Notes	2025 US\$'000	2024 US\$'000
Foreign exchange differences, net		(3,113)	7,428
Impairment of inventories	23	1,434	3,451
Impairment/(reversal of impairment) of financial assets, net:			
Impairment of trade receivables, net	24	1,231	806
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets, net		(1,165)	448
Total		66	1,254
Gain on disposal of items of property, plant and equipment		(72)	(888)
Loss/(gain) on financial assets at fair value through profit or loss, net		9,609	(63,006)
Gain on disposal of a subsidiary		-	(9,669)
Gain on disposal of associates, net		(47)	(1,204)
Government grants***		(4,772)	(6,834)

Notes:

- * The amortization of other intangible assets for the year is included in "Administrative expenses" and "Selling and distribution expenses" in the consolidated statement of profit or loss.
- ** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- *** Various government grants have been received for setting up research activities and alleviating unemployment in Chinese mainland. Government grants received for which related expenditure has not yet been undertaken are recognized as deferred income and included in other non-current liabilities in the statement of financial position.

Notes to Financial Statements

December 31, 2025

8. Finance costs

An analysis of finance costs is as follows:

	2025 US\$'000	2024 US\$'000
Interest on bank loans	1,498	19
Interest on lease liabilities	846	530
Amortization of deferred finance costs	79	1,200
Other finance costs	410	483
Total	2,833	2,232

9. Directors' remuneration

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

	2025 US\$'000	2024 US\$'000
Fees	268	248
Other emoluments:		
Salaries, allowances and benefits in kind	1,977	2,142
Performance-related bonuses*	1,027	1,024
Pension scheme contributions	32	26
Share award expenses**	39,756	97,472
Total	43,060	100,912

Notes:

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the Group's net profit plus a percentage of the Group's revenue.

** Certain directors were granted share awards, in respect of their services to the Group, under the share award schemes of the Group, further details of which are set out in note 35 to the financial statements. The fair value of such awards, which has been recognized in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

Notes to Financial Statements

December 31, 2025

9. Directors' remuneration (continued)

(a) Independent non-executive directors

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

	2025 US\$'000	2024 US\$'000
Mr. Maximilian Walter Conze (note (i))	51	31
Mr. Yuan Ding	64	64
Mr. Yang Xianxiang	51	51
Mr. Sun Zhe	51	51
Total	217	197

There were no other emoluments payable to the independent non-executive directors during the year (2024: nil).

Notes to Financial Statements

December 31, 2025

9. Directors' remuneration (continued)

(b) Executive directors and non-executive director

2025

	Fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Performance- related bonuses US\$'000	Pension scheme contributions US\$'000	Share award expenses US\$'000 <small>(note (ii))</small>	Total US\$'000
Executive directors:						
Mr. Wang Xuning	-	1,032	642	14	26,658	28,346
Ms. Han Run	-	691	385	18	13,098	14,192
Ms. Huang Shuling	-	254	-	-	-	254
	-	1,977	1,027	32	39,756	42,792
Non-executive director:						
Mr. Stassi Anastas Anastassov	51	-	-	-	-	51
	51	-	-	-	-	51
Total	51	1,977	1,027	32	39,756	42,843

Notes to Financial Statements

December 31, 2025

9. Directors' remuneration (continued)

(b) Executive directors and non-executive director (continued)

2024

	Fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Performance- related bonuses US\$'000	Pension scheme contributions US\$'000	Share award expenses US\$'000 (note (ii))	Total US\$'000
Executive directors:						
Mr. Wang Xuning	-	1,120	640	8	65,278	67,046
Ms. Han Run	-	678	384	18	32,194	33,274
Ms. Huang Shuling	-	344	-	-	-	344
	-	2,142	1,024	26	97,472	100,664
Non-executive director:						
Mr. Stassi Anastas Anastassov	51	-	-	-	-	51
	51	-	-	-	-	51
Total	51	2,142	1,024	26	97,472	100,715

Notes to Financial Statements

December 31, 2025

9. Directors' remuneration (continued)

(b) Executive directors and non-executive director (continued)

Notes:

- (i) Maximilian Walter Conze was appointed as an independent non-executive director on May 22, 2024.
- (ii) The share award expenses in 2025 included US\$39,756,000 which is related to *JS RSU Scheme – 2023 tranche 2* as detailed in note 35.

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

10. Five highest paid employees

The five highest paid employees during the year included three (2024: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year for the remaining two (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 US\$'000	2024 US\$'000
Salaries, allowances and benefits in kind	590	769
Performance-related bonuses	128	–
Pension scheme contributions	41	39
Share award expenses	15	–
Total	774	808

Notes to Financial Statements

December 31, 2025

10. Five highest paid employees (continued)

No remuneration was paid by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of any office in connection with the management of the affairs of any member of the Group distinguishing between contractual payments and other payments (excluding the amounts as disclosed in the table above). The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees	
	2025	2024
HK\$2,000,001 to HK\$3,000,000 (equivalent to US\$256,708 to US\$385,061)	1	1
HK\$3,000,001 to HK\$4,000,000 (equivalent to US\$385,062 to US\$513,414)	1	1
Total	2	2

Equity-settled share awards and cash settled awards were granted to the above non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 35 to the financial statements. For equity-settled share awards, the fair value of such share awards, which has been recognized in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures. For cash-settled share awards, fair value of the share awards is expensed over the period until the vesting date with recognition of a corresponding liability. The amount of expense recognized in profit or loss is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

Notes to Financial Statements

December 31, 2025

11. Income tax

	2025 US\$'000	2024 US\$'000
Current income tax charge/(credit):		
In Chinese mainland	1,597	(360)
In Hong Kong	1,662	3,558
Elsewhere	9,551	8,998
Subtotal	12,810	12,196
Deferred income tax (note 32):		
In Chinese mainland	(2,339)	(7,371)
In Hong Kong	(1,374)	(101)
Elsewhere	(5,936)	(5,821)
Subtotal	(9,649)	(13,293)
Total tax charge/(credit) for the year	3,161	(1,097)

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The determination of current and deferred income taxes was based on the enacted tax rates.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Under the relevant PRC income tax law, except for certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% (2024: 25%) on their respective taxable income. As at December 31, 2025, three of the Group's entities (2024: three) have obtained approval from the relevant PRC tax authorities and were entitled to preferential corporate income tax rates.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group (2024: nil) which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Notes to Financial Statements

December 31, 2025

11. Income tax (continued)

The Group realized tax benefits during the year through applying the preferential corporate income tax rates and the corporate income tax exemptions. These preferential tax treatments were available to the Group pursuant to the enacted PRC tax rules and regulations and are subject to assessment by the relevant PRC tax authorities.

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

2025

	Chinese mainland		Hong Kong		Others		Total	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Profit/(loss) before tax	8,880		1,897		(26,446)		(15,669)	
Tax at the statutory tax rates	2,220	25.0	313	16.5	3,340	(12.6)	5,873	(37.5)
Lower tax charges for specific provinces or enacted by local authority	(748)	(8.4)	-	-	(11)	0.0	(759)	4.8
Effect of withholding tax on the distributable profits of Group's subsidiaries	690	7.8	-	-	-	-	690	(4.4)
Effect on opening deferred tax	-	-	-	-	(764)	2.9	(764)	4.9
Adjustments in respect of current tax of prior periods	445	5.0	548	28.9	(667)	2.5	326	(2.1)
Expenses not deductible for tax	1,496	16.8	170	9.0	1,755	(6.6)	3,421	(21.8)
Income not subject to tax	(143)	(1.6)	(1,750)	(92.3)	(125)	0.5	(2,018)	12.9
Profits and losses attributable to associates	(104)	(1.2)	-	-	-	-	(104)	0.7
Super deduction on research and development costs	(6,154)	(69.3)	-	-	-	-	(6,154)	39.3
Temporary difference and tax losses not recognized	1,556	17.5	1,007	53.1	87	(0.3)	2,650	(16.9)
Tax charge/(credit) at the Group's effective tax rate	(742)	(8.4)	288	15.2	3,615	(13.7)	3,161	(20.2)

Notes to Financial Statements

December 31, 2025

11. Income tax (continued)

2024

	Chinese mainland		Hong Kong		Others		Total	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Profit/(loss) before tax	(5,198)		121,005		(108,152)		7,655	
Tax at the statutory tax rates	(1,300)	25.0	19,966	16.5	976	(0.9)	19,642	256.6
Lower tax charges for specific provinces or enacted by local authority	493	(9.5)	-	-	-	-	493	6.4
Effect of withholding tax on the distributable profits of Group's subsidiaries	3	(0.1)	-	-	-	-	3	0.0
Adjustments in respect of current tax of prior periods	211	(4.1)	-	-	-	-	211	2.8
Expenses not deductible for tax	349	(6.7)	-	-	1,397	(1.3)	1,746	22.8
Income not subject to tax	(293)	5.6	(16,509)	(13.6)	-	-	(16,802)	(219.5)
Profits and losses attributable to associates	214	(4.1)	-	-	-	-	214	2.8
Super deduction on research and development costs	(8,927)	171.7	-	-	-	-	(8,927)	(116.6)
Temporary difference and tax losses not recognized	1,519	(29.2)	-	-	804	(0.7)	2,323	30.3
Tax charge/(credit) at the Group's effective tax rate	(7,731)	148.7	3,457	2.9	3,177	(2.9)	(1,097)	(14.3)

Notes to Financial Statements

December 31, 2025

11. Income tax (continued)

The share of tax credit attributable to associates amounting to US\$104,000 (2024: tax charge US\$214,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. As at December 31, 2025, Pillar Two legislation has been in effect in most jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments and evaluate the potential future impact on its financial statements.

12. Dividends

No dividend was paid or proposed for both years ended December 31, 2025 and 2024, nor has any dividend been proposed since the end of the Reporting Period.

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December 31, 2025

13. (Loss)/earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,456,945,000 (2024: 3,444,773,000) outstanding during the year.

The calculation of the diluted (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive effect arising from the share award scheme of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted (loss)/earnings per share are based on:

	2025 US\$'000	2024 US\$'000
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculations	(24,150)	6,209
	Number of shares	
	2025 '000	2024 '000
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic (loss)/earnings per share calculation	3,456,945	3,444,773
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	17,114	14,355
Total	3,474,059	3,459,128

Notes to Financial Statements

December 31, 2025

14. Property, plant and equipment

December 31, 2025

	Buildings US\$'000	Leasehold improvements US\$'000	Furniture and fixtures US\$'000	Machinery US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
At January 1, 2025:							
Cost	121,881	5,126	25,276	13,877	3,922	1,870	171,952
Accumulated depreciation	(53,135)	(2,656)	(18,565)	(9,442)	(3,028)	-	(86,826)
Net carrying amount	68,746	2,470	6,711	4,435	894	1,870	85,126
At January 1, 2025, net of accumulated depreciation	68,746	2,470	6,711	4,435	894	1,870	85,126
Additions	45	715	11,039	1,791	3	1,201	14,794
Disposals	-	-	(26)	(90)	(41)	-	(157)
Depreciation provided during the year	(6,191)	(914)	(6,576)	(1,061)	(158)	-	(14,900)
Transfer from construction in progress	844	37	243	726	-	(2,722)	(872)
Transfer from non-current assets	4,894	-	-	-	-	-	4,894
Exchange realignment	2,512	(236)	292	200	30	37	2,835
At December 31, 2025, net of accumulated depreciation	70,850	2,072	11,683	6,001	728	386	91,720
At December 31, 2025:							
Cost	132,079	5,728	35,549	16,773	3,778	386	194,293
Accumulated depreciation	(61,229)	(3,656)	(23,866)	(10,772)	(3,050)	-	(102,573)
Net carrying amount	70,850	2,072	11,683	6,001	728	386	91,720

Notes to Financial Statements

December 31, 2025

14. Property, plant and equipment (continued)

December 31, 2024

	Buildings US\$'000	Leasehold improvements US\$'000	Furniture and fixtures US\$'000	Machinery US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
At January 1, 2024:							
Cost	126,847	2,432	23,425	14,629	3,972	1,180	172,485
Accumulated depreciation	(50,030)	(2,432)	(16,410)	(8,946)	(3,659)	-	(81,477)
Net carrying amount	76,817	-	7,015	5,683	313	1,180	91,008
At January 1, 2024, net of							
accumulated depreciation	76,817	-	7,015	5,683	313	1,180	91,008
Additions	-	2,775	3,050	708	476	1,122	8,131
Disposals	(911)	-	(724)	(67)	(45)	-	(1,747)
Depreciation provided during the year	(5,666)	(290)	(3,560)	(1,084)	(189)	-	(10,789)
Acquisition of a subsidiary	-	-	-	1,580	-	-	1,580
Disposals of a subsidiary	-	-	-	(1,913)	-	-	(1,913)
Exchange realignment	(1,494)	(15)	930	(472)	339	(432)	(1,144)
At December 31, 2024, net of							
accumulated depreciation	68,746	2,470	6,711	4,435	894	1,870	85,126
At December 31, 2024:							
Cost	121,881	5,126	25,276	13,877	3,922	1,870	171,952
Accumulated depreciation	(53,135)	(2,656)	(18,565)	(9,442)	(3,028)	-	(86,826)
Net carrying amount	68,746	2,470	6,711	4,435	894	1,870	85,126

Notes to Financial Statements

December 31, 2025

15. Investment properties

	2025 US\$'000	2024 US\$'000
At the beginning of the year:		
Cost	40,810	40,810
Accumulated depreciation	(28,227)	(26,203)
Net carrying amount	12,583	14,607
Net carrying amount at the beginning of the year	12,583	14,607
Depreciation provided during the year	(1,921)	(1,640)
Transfer from construction in progress	872	-
Transfer from non-current asset	3,973	-
Exchange realignment	581	(384)
Net carrying amount at the end of the year	16,088	12,583

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 17 to the financial statements.

The fair value of investment properties as at December 31, 2025 was approximately US\$62 million (2024: US\$53 million).

16. Prepaid land lease payments

	2025 US\$'000	2024 US\$'000
Carrying amount at the beginning of the year	13,357	14,117
Recognized in profit or loss during the year	(381)	(383)
Exchange realignment	548	(377)
Carrying amount at the end of the year	13,524	13,357
Current portion included in prepayments, other receivables and other assets	(392)	(375)
Non-current portion of carrying amount at the end of the year	13,132	12,982

Notes to Financial Statements

December 31, 2025

17. Leases

The Group as a lessee

The Group has lease contracts for various items of buildings, warehouses and motor vehicles used in its operations. Leases of buildings and warehouses generally have lease terms between 2 and 12 years. Motor vehicles generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

For prepaid land lease payments, please refer to note 16 to the financial statements.

(a) Right-of-use assets

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

	Buildings and warehouses US\$'000	Motor vehicle US\$'000	Total US\$'000
As at January 1, 2024	5,516	-	5,516
Additions	15,385	2,621	18,006
Acquisition of a subsidiary	398	-	398
Depreciation provided during the year	(5,384)	(328)	(5,712)
Disposal of a subsidiary	(278)	-	(278)
Disposal	(300)	-	(300)
Exchange realignment	(161)	(47)	(208)
As at December 31, 2024 and January 1, 2025	15,176	2,246	17,422
Additions	2,637	-	2,637
Depreciation provided during the year	(6,055)	(328)	(6,383)
Termination of leases	(461)	-	(461)
Exchange realignment	197	-	197
As at December 31, 2025	11,494	1,918	13,412

Notes to Financial Statements

December 31, 2025

17. Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	2025 US\$'000	2024 US\$'000
Carrying amount at January 1	17,788	5,709
New leases	2,485	18,006
Acquisition of a subsidiary	-	424
Interest expense during the year	846	530
Payment during the year	(6,496)	(5,958)
Disposal of a subsidiary	-	(311)
Disposal	-	(300)
Termination of leases	(710)	-
Exchange realignment	265	(312)
Carrying amount at December 31	14,178	17,788
Analyzed into:		
Within one year	4,425	5,352
In the second year	2,451	6,098
In the third to fifth years, inclusive	7,302	6,338
At the end of the year	14,178	17,788

The maturity analysis of lease liabilities is disclosed in note 43 to the financial statements.

Notes to Financial Statements

December 31, 2025

17. Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities (continued)

The amounts recognized in profit or loss in relation to leases are as follows:

	2025 US\$'000	2024 US\$'000
Interest on lease liabilities	846	530
Depreciation charge of right-of-use assets	6,383	5,712
Gain on termination of leases	249	-
Expense relating to short-term leases (included in selling and distribution expenses and administrative expenses)	3,746	3,182
Total amount recognized in profit or loss	11,224	9,424

The Group as a lessor

The Group leases its investment properties (note 15) consisting of four commercial properties and three industrial properties in the Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Gross rental income recognized by the Group during the year was US\$2,137,000 (2024: US\$2,271,000).

At December 31, 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 US\$'000	2024 US\$'000
Within one year	1,011	1,181
After one year but within two years	974	1,136
After two years but within five years	2,698	3,151
Total	4,683	5,468

Notes to Financial Statements

December 31, 2025

18. Goodwill

	2025 US\$'000	2024 US\$'000
Goodwill at January 1	5,848	5,848
Acquisition of a subsidiary	-	16,695
Disposal of a subsidiary	-	(16,462)
Exchange realignment	-	(233)
Less: Provision for impairment	-	-
Goodwill at December 31	5,848	5,848

The goodwill was allocated to the subsidiaries of the Company located in Asia Pacific Region.

Impairment testing of goodwill

Regarding the annual impairment test as at December 31, 2025 and 2024, the recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets covering a five-year period approved by management at December 31, 2025. The discount rate applied to the cash flow projections is 11.1% (2024: 11.1%). The growth rate used to extrapolate the cash flows beyond the five-year period is 1.8% (2024: 1.8%).

Assumptions were used in the value in use calculation as at December 31, 2025. The following describes key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue growth – The bases used to determine the future earnings potential are historical sales and average expected growth rates of the market in Japan.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year immediately before the budget year, adjusted for expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Expenses – The value assigned to the key assumptions reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.

Notes to Financial Statements

December 31, 2025

18. Goodwill (continued)

Impairment testing of goodwill (continued)

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

Based on the result of the impairment testing, the estimated recoverable amount has exceeded its carrying amount by US\$77 million as at December 31, 2025 (2024: US\$127 million).

Sensitivity to changes in assumptions

The Company has performed the sensitivity analysis on key assumptions used in the impairment testing. Had the estimated key assumptions been changed as below, the headroom would have increased/(decreased) by:

	2025 US\$'000	2024 US\$'000
Five-year period growth rate increased by 5%	3,154	3,521
Five-year period growth rate decreased by 5%	(3,077)	(3,472)
Discount rate decreased by 5%	5,874	8,758
Discount rate increased by 5%	(5,213)	(7,778)

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including goodwill, of the CGU to exceed its recoverable amount.



Notes to Financial Statements

December 31, 2025

19. Other intangible assets

December 31, 2025

	Patents US\$'000	Software US\$'000	Golf club membership US\$'000	Total US\$'000
At January 1, 2025:				
Cost	13,605	5,595	1,868	21,068
Accumulated amortization	(13,546)	(3,106)	–	(16,652)
Net carrying amount	59	2,489	1,868	4,416
Cost at January 1, 2025, net of accumulated amortization	59	2,489	1,868	4,416
Additions	–	1,818	–	1,818
Disposal	–	(30)	–	(30)
Amortization provided during the year	(8)	(492)	–	(500)
Exchange realignment	2	104	78	184
At December 31, 2025	53	3,889	1,946	5,888
At December 31, 2025:				
Cost	14,173	7,467	1,946	23,586
Accumulated amortization	(14,120)	(3,578)	–	(17,698)
Net carrying amount	53	3,889	1,946	5,888

Notes to Financial Statements

December 31, 2025

19. Other intangible assets (continued)

December 31, 2024

	Patents US\$'000	Software US\$'000	Golf club membership US\$'000	Total US\$'000
At January 1, 2024:				
Cost	13,987	5,509	1,924	21,420
Accumulated amortization	(13,919)	(3,101)	–	(17,020)
Net carrying amount	68	2,408	1,924	4,400
Cost at January 1, 2024, net of accumulated amortization				
	68	2,408	1,924	4,400
Additions	–	691	–	691
Disposal	–	(451)	–	(451)
Amortization provided during the year	(285)	(100)	–	(385)
Acquisition of a subsidiary	2,719	42	–	2,761
Disposal of a subsidiary	(2,442)	(33)	–	(2,475)
Exchange realignment	(1)	(68)	(56)	(125)
At December 31, 2024	59	2,489	1,868	4,416
At December 31, 2024:				
Cost	13,605	5,595	1,868	21,068
Accumulated amortization	(13,546)	(3,106)	–	(16,652)
Net carrying amount	59	2,489	1,868	4,416

Notes to Financial Statements

December 31, 2025

20. Investments in associates

	2025 US\$'000	2024 US\$'000
Share of net assets	14,335	14,107
Goodwill on acquisition	3,206	3,078
Total	17,541	17,185

The Group's trade receivable and payable balances with the associates are disclosed in notes 24, 27 and 28, respectively.

The Group's shareholdings in the associates comprise equity shares held by subsidiaries of the Company.

The Group has discontinued the recognition of its share of losses of two associates because the share of losses of the associates exceeded the Group's interest in the associates and the Group has no obligation to take up further losses. The unrecognized share of losses of the associates was US\$1,000 for the year ended December 31, 2025 (2024: US\$2,000) and the cumulative unrecognized share of losses was US\$194,000 as at December 31, 2025 (2024: US\$193,000).

During this year, the Group has disposed of one associate, Henan Xulian Trading Co., Limited ("河南旭聯商貿有限公司") for a consideration of US\$1,348,000, which resulted in a gain on disposal of associates amounting to US\$47,000 as disclosed in note 6. As at December 31, 2025, the Group has received US\$28,000, with an outstanding amount of US\$1,320,000, which is expected to be received within three years.

The following table illustrates the aggregate financial information of the Group's associates:

	2025 US\$'000	2024 US\$'000
Share of the associates' profits and losses for the year	575	(1,370)
Share of the associates' total comprehensive income	575	(1,370)
Aggregate carrying amount of the Group's investments in associates	17,541	17,185

Notes to Financial Statements

December 31, 2025

21. Financial assets at fair value through profit or loss/financial assets designated at fair value through other comprehensive income

The investments below were classified as financial assets at fair value:

	2025 US\$'000	2024 US\$'000
Financial assets, at fair value through profit or loss:		
Current – stock (a)	89,518	68,930
Current – financial products (a)	9,407	10,105
Non-current – stock (a)	–	77,888
Non-current – unlisted equity investments (a)	43,470	59,547
Subtotal	142,395	216,470
Unlisted financial assets, at fair value through other comprehensive income:		
Non-current – unlisted equity investments (b)	40,144	37,228
Total	182,539	253,698

Notes:

- (a) The investments in stocks as at December 31, 2025 were stocks listed on the stock exchanges. The current investments in financial products were products issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The equity investments were classified as financial assets at fair value through profit or loss as they were held for trading and invested principally in investment funds in accordance with the entrusted agreements entered into between the parties involved.

The above-mentioned investments were measured at fair value through profit or loss, with a corresponding loss on changes in fair value of US\$9,609,000 in total, and was recognized as other expenses in the consolidated statement of profit or loss (2024: gain of US\$63,006,000).

- (b) The equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. During the year, the fair value changes in these investments resulted in a loss, before tax, amounting to US\$1,304,000 (2024: US\$2,433,000), recorded in other comprehensive income.

Notes to Financial Statements

December 31, 2025

22. Other non-current assets

	2025 US\$'000	2024 US\$'000
Rental deposits	3,163	1,509
Long-term prepayments for purchase of properties	-	8,905
Others	1,733	1,190
Total	4,896	11,604

23. Inventories

	2025 US\$'000	2024 US\$'000
Raw materials	21,878	25,081
Finished goods	122,496	134,702
Less: Impairment	(3,537)	(5,671)
Total	140,837	154,112

The movements in provision for impairment of inventories are as follows:

	2025 US\$'000	2024 US\$'000
At the beginning of the year	5,671	4,115
Impairment losses	1,434	3,451
Less: Amounts written off	(3,805)	(1,706)
Exchange realignment	237	(189)
At the end of the year	3,537	5,671

Notes to Financial Statements

December 31, 2025

24. Trade and bills receivables

	2025 US\$'000	2024 US\$'000
Bills receivable	119,758	120,639
Trade receivables	335,851	285,966
Less: Impairment	(8,038)	(7,417)
Net carrying amount	447,571	399,188

The credit period is generally six months and extend appropriately for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. Overdue balances are reviewed regularly by senior management.

Included in the Group's trade and bills receivables were amounts due from the Group's associates of US\$9,510,000 as at December 31, 2025 (2024: US\$10,681,000) and amounts due from other related parties of US\$14,532,000 as at December 31, 2025 (2024: US\$40,001,000), which were repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the year end, based on the invoice date and net of impairment, is as follows:

	2025 US\$'000	2024 US\$'000
Within 6 months	440,547	393,475
6 months to 1 year	5,737	4,752
1 to 2 years	1,287	961
Total	447,571	399,188

Notes to Financial Statements

December 31, 2025

24. Trade and bills receivables (continued)

The movements in provision for impairment of trade receivables are as follows:

	2025 US\$'000	2024 US\$'000
As at the beginning of the year	7,417	6,999
Impairment losses, net	1,231	806
Disposal of a subsidiary	-	(61)
Amount written off as uncollectible	(610)	(327)
As at the end of the year	8,038	7,417

As at December 31, 2025 and 2024, the trade receivables were mainly denominated in US\$ and RMB, and the fair values of trade receivables approximated to their carrying amounts.

An impairment analysis is performed at each reporting date using a provision matrix or assessed individually to measure expected credit losses. The provision rates used in the provision matrix are based on the days from the billing date for customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to Financial Statements

December 31, 2025

24. Trade and bills receivables (continued)

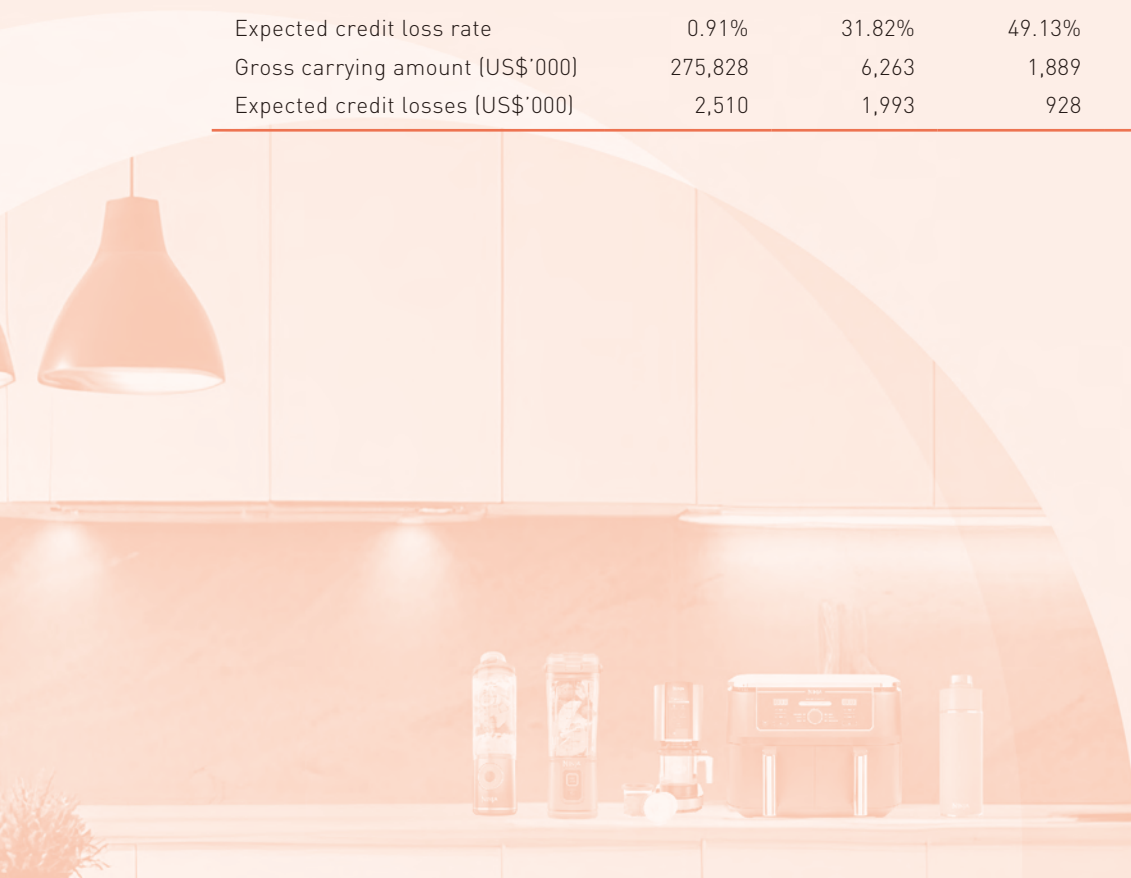
Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

At December 31, 2025

	Past due				Total
	Not overdue to 6 months	7 to 12 months	1 to 2 years	Over 2 years	
Expected credit loss rate	0.67%	19.81%	69.30%	100.00%	
Gross carrying amount (US\$'000)	323,094	6,961	4,192	1,604	335,851
Expected credit losses (US\$'000)	2,150	1,379	2,905	1,604	8,038

At December 31, 2024

	Past due				Total
	Not overdue to 6 months	7 to 12 months	1 to 2 years	Over 2 years	
Expected credit loss rate	0.91%	31.82%	49.13%	100.00%	
Gross carrying amount (US\$'000)	275,828	6,263	1,889	1,986	285,966
Expected credit losses (US\$'000)	2,510	1,993	928	1,986	7,417



Notes to Financial Statements

December 31, 2025

25. Prepayments, other receivables and other assets

	2025 US\$'000	2024 US\$'000
Prepayments	9,197	7,407
Deposits and other receivables	9,768	8,786
Due from related parties (note (a))	1,048	62
Consideration receivable (note (b))	-	9,065
Advance to a disposed subsidiary (note (c))	-	7,771
Other current assets	1,869	-
Tax recoverable	19,138	34,003
	41,020	67,094
Less: Impairment	(1,039)	(1,612)
Total	39,981	65,482

Notes:

- (a) Included in the balance as at December 31, 2025 was the individual income tax paid on behalf of related parties.
- (b) The balance as at December 31, 2024 was the amount of consideration receivable related to the disposal of a subsidiary to a third party, which has been settled in 2025.
- (c) The balance as at December 31, 2024 was related to an advance to a disposed subsidiary made before the disposal, which has been settled in 2025. The interest rate of the advance was based on the one-year Loan Prime Rate (LPR) released by the National Interbank Funding Center.

Notes to Financial Statements

December 31, 2025

26. Cash and cash equivalents/pledged deposits

	2025 US\$'000	2024 US\$'000
Cash and bank balances	556,347	359,580
Time deposits – current	63,195	70,060
Less: Pledged deposits for bills payable (note 27)	(63,195)	(70,060)
Cash and cash equivalents	556,347	359,580

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“**RMB**”) amounted to RMB1,742,389,000 (2024: RMB706,587,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.



Notes to Financial Statements

December 31, 2025

27. Trade and bills payables

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

	2025 US\$'000	2024 US\$'000
Trade payables:		
Within 1 year	265,805	261,483
1 to 2 years	3,804	1,115
	269,609	262,598
Bills payables:		
Within 1 year	285,925	259,667
Total	555,534	522,265

Included in the trade and bills payables are trade payables of US\$9,661,000 (2024: US\$12,875,000) due to associates which are repayable within 90 days, which represents credit terms similar to those offered by the associates to their major customers.

The Group's bills payable were secured by pledged deposits of the Group of US\$63,195,000 (2024: US\$70,060,000) and bills receivable of the Group of US\$35,079,000 (2024: US\$67,026,000) as at December 31, 2025.

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

Notes to Financial Statements

December 31, 2025

28. Other payables and accruals

	2025 US\$'000	2024 US\$'000
Cash-settled share award payables	76,422	93,682
Accruals	67,951	46,614
Other payables (note (a))	50,011	49,973
Refund liabilities	48,257	24,517
Due to related parties (note (b))	25,910	18,162
Contract liabilities (note (c))	18,712	5,989
Provisions	4,140	4,479
Total	291,403	243,416

Notes:

- (a) Included in other payables was accrued expected credit loss ("ECL") amounted to US\$470,000 relating to tri-party customer finance arrangements ("保兑仓"). Joyoung Co., Ltd. ("Joyoung") entered into tri-party customer finance arrangements with distributors and endorsing banks. Distributors deposited money of no less than a certain proportion of the par value of bank acceptance bill with the bank on a guarantee and applied for issuance of bank acceptance bills for the purchase of products from Joyoung according to the amount of credit facility provided by the bank. Joyoung undertook the security obligation in favour of the distributors for the difference between the amount of bills and the amount of money on guarantee. Joyoung considered the security obligation as a financial guarantee. The financial guarantee is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the financial guarantee contract was measured at the higher of ECL allowance and the amount initially recognized less, when appropriate, the cumulative amount of income recognized which was amounting to US\$470,000 and recorded in other payables. As at December 31, 2025, the Group's maximum exposure to such guarantee was US\$18,430,000.
- (b) Included in the amounts due to related parties were trade-related balance due to associates amounting to US\$8,168,000 (2024: US\$8,443,000) and trade-related balance due to subsidiaries of SharkNinja, Inc. amounting to US\$17,406,000 (2024: US\$9,719,000). The transactions with subsidiaries of SharkNinja, Inc. constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (c) Contract liabilities include short-term advances related to sales of home appliances. Included in the contract liabilities were short-term advances of US\$32,000 (2024: US\$283,000) received from related parties as at December 31, 2025.

Notes to Financial Statements

December 31, 2025

29. Other current financial liabilities

	2025 US\$'000	2024 US\$'000
Derivative financial instruments	33	457
Factoring (note)	5,120	-
Total	5,153	457

Note: In August 2025, the Group entered into a trade receivables purchase agreement ("RPA") with a finance institution in order to receive a portion of the proceeds of certain receivables from a customer before the due date. According to the terms stipulated in the RPA agreement, the total funding limit is US\$10,000,000, with the non-recourse portion capped at US\$4,750,000. As of December 31, 2025, the total amounts received by the Group amounted to US\$9,870,000. Management considers that the Group continues to be exposed to significant risks and rewards, as the entitlement to the remaining payment depends on the collection from the customer. Accordingly, the Group continues to recognize the carrying amount of the outstanding receivables with recourse obligation at year-end, which was US\$5,120,000.

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December 31, 2025

30. Interest-bearing bank borrowings

	December 31, 2025			December 31, 2024		
	Interest	Maturity	US\$'000	Interest	Maturity	US\$'000
	rate (%)			rate (%)		
Current						
Bank loans – secured (a)	2.8000	2026	49,952	–	–	–
Non-current						
Bank loans – secured (b)	5.1923	2027	30,000	5.7373	2027	15,000
Total			79,952			15,000

Notes:

- (a) During the year ended December 31, 2025, SN APAC Holding HK Limited, a wholly-owned subsidiary of the Company, entered into a term loan facility agreement amounting to RMB350,000,000 (equivalent to US\$49,952,000). As at December 31, 2025, the full facility amount had been drawn. The loan is secured by a corporate guarantee issued by the Company.
- (b) On January 31, 2024, the Group entered into a syndicated revolving bank loan agreement for a total facility amounting to US\$100 million with an initial maturity date on January 31, 2025. The Group may extend the initial maturity date for up to 36 months. On December 23, 2024, the Group extended the maturity date to January 29, 2027.

The Group drew the first facility of US\$15,000,000 on December 23, 2024, which was fully repaid during the year ended December 31, 2025. On December 1, 2025, the Group drew the second facility of US\$30,000,000.

The bank loans are secured by the pledge of the 100% equity interest in JS Global Capital Management Limited, JS (BVI) Holding Limited, JS Global Trading HK Limited, Easy Appliance Hong Kong Limited, SharkNinja G.K. and the controlling interest in those important subsidiaries of the Group which their total assets, net assets and EBITDA account for more than 5% of the Group.

As of December 31, 2025, the Group had total bank facilities of US\$149,952,000 (December 31, 2024: US\$100,000,000), of which US\$70,000,000 were unutilized (December 31, 2024: US\$85,000,000).

Notes to Financial Statements

December 31, 2025

31 Commitments

The Group had the following capital commitments at the end of the reporting period:

	2025 US\$'000	2024 US\$'000
Leases	757	-
Molds	624	-
Total	1,381	-

32. Deferred tax assets/liabilities

The 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:

Deferred tax assets:

	Tax losses US\$'000	Impairment allowance US\$'000	Accrued expenses and reserves US\$'000	Unrealized profit arising in intra-group transactions US\$'000	Lease liabilities US\$'000	Fair value adjustments arising from financial assets US\$'000	Accrued return and rebate US\$'000	Depreciation allowance in excess of related depreciation US\$'000	Total US\$'000
At January 1, 2024	5,945	2,318	1,983	3,061	1,321	3,744	1,749	-	20,121
Exchange realignment	(1,318)	(68)	(85)	(44)	-	(218)	(31)	(12)	(1,776)
Disposal of a subsidiary	(1,702)	-	-	-	-	-	-	-	(1,702)
Deferred tax credited to share award reserve/other comprehensive income	-	-	92	-	-	334	-	-	426
Deferred tax (charged)/credited to profit or loss	8,281	232	1,551	(1,079)	2,430	1,620	813	358	14,206
At December 31, 2024	11,206	2,482	3,541	1,938	3,751	5,480	2,531	346	31,275
At January 1, 2025	11,206	2,482	3,541	1,938	3,751	5,480	2,531	346	31,275
Exchange realignment	428	107	326	137	117	(192)	(21)	52	954
Deferred tax credited to share award reserve/other comprehensive income	-	-	-	-	-	1	-	-	1
Deferred tax (charged)/credited to profit or loss	1,732	158	1,382	(415)	(319)	1,628	3,502	656	8,324
At December 31, 2025	13,366	2,747	5,249	1,660	3,549	6,917	6,012	1,054	40,554

Notes to Financial Statements

December 31, 2025

32. Deferred tax assets/liabilities (continued)

Deferred tax liabilities:

	Fair value adjustments arising from					Total US\$'000
	Interest receivable US\$'000	financial assets US\$'000	Right-of-use assets US\$'000	Withholding taxes US\$'000	Others US\$'000	
At January 1, 2024	187	4,089	1,321	1,361	-	6,958
Exchange realignment	(24)	(217)	-	-	-	(241)
Acquisition of a subsidiary	-	-	-	-	676	676
Disposal of a subsidiary	-	-	-	-	(616)	(616)
Deferred tax charged to profit or loss	32	(1,087)	2,710	(682)	(60)	913
At December 31, 2024	195	2,785	4,031	679	-	7,690
At January 1, 2025	195	2,785	4,031	679	-	7,690
Exchange realignment	(17)	(595)	(184)	(13)	44	(765)
Deferred tax charged to share award reserve/ other comprehensive income	-	223	-	-	-	223
Deferred tax charged/(credited) to profit or loss	(151)	(994)	(529)	24	325	(1,325)
At December 31, 2025	27	1,419	3,318	690	369	5,823

Notes to Financial Statements

December 31, 2025

32. Deferred tax assets/liabilities (continued)

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

	2025 US\$'000	2024 US\$'000
Net deferred tax assets recognized in the consolidated statement of financial position	37,235	27,524
Net deferred tax liabilities recognized in the consolidated statement of financial position	(2,504)	(3,939)
Net deferred tax assets	34,731	23,585

At the end of the reporting period, the Group had no tax losses that are available indefinitely for offsetting against future taxable profits.

At the end of the reporting period, the Group had tax losses arising in the Chinese mainland of US\$66,412,000 (2024: US\$49,208,000) that would expire in one to five years for offsetting against future taxable profits.

Deferred tax assets in respect of tax losses of US\$19,561,000 (2024: US\$16,825,000) have not been recognized in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Chinese mainland. The requirement was effective from January 1, 2008 and applies to earnings after December 31, 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from January 1, 2008.

As of December 31, 2025, there was no significant unrecognized deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries or associates (2024: nil).

Notes to Financial Statements

December 31, 2025

33. Other non-current liabilities

	2025 US\$'000	2024 US\$'000
Deferred income	967	875
Others	177	122
Total	1,144	997

34. Issued capital

	2025 US\$'000	2024 US\$'000
Authorized:		
5,000,000,000 (2024: 5,000,000,000) ordinary shares of US\$0.00001 each	50	50
Issued and fully paid:		
3,474,571,777 (2024: 3,474,571,777) ordinary shares of US\$0.00001 each	34	34

	Number of ordinary shares	Nominal value US\$'000
At December 31, 2024 and December 31, 2025	3,474,571,777	34

Notes to Financial Statements

December 31, 2025

35. Share-based payments

Restricted Stock Units Plan of the Group (“JS RSU Scheme”)

JS RSU Scheme – 2019 tranche

On October 9, 2019, the Company approved JS RSU Scheme. The purpose of JS RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract the best available personnel to provide service to the Group, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. Subject to any early termination as may be determined by the board pursuant to the terms of the RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of October 9, 2019, after which no further awards will be granted, but the provisions of this RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the RSU Plan may continue to be valid and exercisable in accordance with their respective terms of grant.

The Company has set up two structured entities (“**RSU Holding Entities**”), namely Golden Tide International Limited and Grand Riches Ventures Limited, which are solely for the purpose of administering and holding the Company’s shares for JS RSU Scheme. Pursuant to a resolution passed by the board of directors of the Company on October 9, 2019, the Company issued 141,618,409 ordinary shares to the RSU Holding Entities at a par value of US\$0.00001 each, being the ordinary shares underlying the JS RSU Scheme. In addition, the Company has entered into a trust deed with an independent trustee (the “**RSU Trustee**”) on October 14, 2019, pursuant to which the RSU Trustee shall act as the administrator of the Company’s RSU Plan. The Company has the power to direct the relevant activities of the RSU Holding Entities and it has the ability to use its power over the RSU Holding Entities to affect its exposure to returns. Therefore, the assets and liabilities of the RSU Holding Entities are included in the Group’s consolidated statement of financial position and the ordinary shares held for the JS RSU Scheme were regarded as treasury shares with nil consideration.

The initial number of shares underlying JS RSU Scheme shall not exceed the aggregate of 141,618,409 shares representing 4.05% of the issued shares of the Company as of the date of adoption of JS RSU Scheme. A total of 129,265,801 RSUs were granted to directors and employees with nil consideration with the vesting schedule as below:

30% of the RSUs, namely 38,779,740 RSUs, are not subject to any performance-based conditions and vest in four annual installments equally on May 31 of 2020 to 2023 (the “**Time RSUs**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on May 31 of the same year.

70% of the RSUs, namely 90,486,061 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over four years on May 31 of 2020 to 2023 (the “**Performance RSUs**”). The performance target is measured by reference to the financial performance of the Group, Joyoung and SharkNinja for each of the four financial years ending December 31 of 2019, 2020, 2021 and 2023 (the “**Plan Year**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on May 31 of the same year.

Notes to Financial Statements

December 31, 2025

35. Share-based payments (continued)

Restricted Stock Units Plan of the Group ("JS RSU Scheme") (continued)

JS RSU Scheme – 2019 tranche (continued)

Grantees are not entitled to any rights of a shareholder (including voting and dividend rights) on the unvested portion of the RSUs.

The fair values of the 2019 tranche of JS RSU Scheme were estimated as at the date of grant using a Monte-Carlo Simulation Model, considering the terms and conditions upon which the RSUs were granted. The following table lists the key inputs to the model used:

Life of the RSU Plan	0.33–3.33 years
Annualized staff turnover rate	0%–10%
Annualized volatility of revenue change*	25.0%
Discount rate ("WACC")	16.0%

* The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

JS RSU Scheme – 2021 tranche

On January 18, 2021, January 27, 2021 and April 1, 2021, a total of 9,924,347 RSUs were granted to 9 participants of the Company pursuant to JS RSU Scheme, which were partly sourced from the issuance of 5,500,000 new shares.

On September 28, 2021 and November 10, 2021, a total of 1,370,000 RSUs were granted to 23 participants of the Company pursuant to JS RSU Scheme.

The 2021 tranche of JS RSU Scheme was granted with nil consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2021 to 2023. 70% of the RSUs are Performance RSUs, which vest annually from 2021 to 2023 based on the performance target.

The fair value of the 2021 tranche of JS RSU Scheme was based on the closing price of Company's share as at the date of grant.

Notes to Financial Statements

December 31, 2025

35. Share-based payments (continued)

Restricted Stock Units Plan of the Group (“JS RSU Scheme”) (continued)

JS RSU Scheme – 2022 tranche

On March 18, 2022 and April 1, 2022, a total of 1,042,000 RSUs were granted to 9 participants of the Company pursuant to JS RSU Scheme.

The 2022 tranche of JS RSU Scheme was granted with no consideration and the vesting schedule is similar to that of 2019 tranche. 30% of the RSUs are Time RSUs, which vest annually from 2022 to 2023. 70% of the RSUs are Performance RSUs, which vest in 2022 and 2023 based on performance target.

JS RSU Scheme – 2023 tranche 1

On April 3, 2023, a total of 2,842,000 RSUs were granted to 22 participants of the Group pursuant to the JS RSU Scheme. 1,200,000 RSUs were granted to 1 participant of Joyoung and 1,642,000 RSUs were granted to 21 participants of SharkNinja Group, which vest in 2023 based on performance target.

JS RSU Scheme – 2023 tranche 2

On June 6, 2023, a total of 53,100,000 RSUs were granted to directors and employees with no consideration with the vesting schedule as below:

- 50% of the RSUs, namely 26,550,000 RSUs, are not subject to any performance-based conditions and vest in three equal annual installments on or around May 31 of 2024 to 2026 (the “**Time RSUs**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Time RSUs to be vested on or before May 31 of the same year.
- 50% of the RSUs, namely 26,550,000 RSUs, are subject to performance-based conditions and vest (if any, fully or partially) over three years on or around May 31 of 2024 to 2026 (the “**Performance RSUs**”). The performance targets are measured by reference to the financial performance as defined in the agreement for each of the three financial years ending December 31 of 2023, 2024 and 2025 (the “**Plan Years**”). If the grantees are employed or in service with the Group as of January 31 of any year, they will be entitled to the Performance RSUs to be vested on or before May 31 of the same year.

Grantees are not entitled to any rights (including voting and dividend rights) on the unvested portion of the RSUs, except for shares of SharkNinja, Inc. from dividends in specie from the distribution of the SharkNinja Group.

Notes to Financial Statements

December 31, 2025

35. Share-based payments (continued)

Restricted Stock Units Plan of the Group (“JS RSU Scheme”) (continued)

JS RSU Scheme – 2023 tranche 2 (continued)

The following RSUs were outstanding under the RSU Scheme:

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Fair value per share US\$	Number of RSUs	Fair value per share US\$	Number of RSUs
At the beginning of the year	0.17	35,400,000	0.17	53,100,000
Exercised during the year	0.17	(17,700,000)	0.17	(17,700,000)
At the end of the year	0.17	17,700,000	0.17	35,400,000

The Group recognized share award expenses of US\$40,912,000 (2024: US\$100,181,000) in total, of which US\$1,462,000 (2024: US\$3,977,000) were recognized for equity-settled transactions and US\$39,450,000 (2024: US\$96,204,000) were recognized for cash-settled transactions. For cash-settled transactions, the Group held shares of SharkNinja, Inc. for the purposes of settlement of the share award scheme. These shares were derecognized as financial assets at fair value through profit or loss based on the observable market price of the stock on the respective vesting dates.

At the date of approval of the financial statements, the Company had 17,700,000 RSUs outstanding under the JS RSU Scheme. The RSUs under the JS RSU Scheme represented approximately 0.51% (2024: 1.02%) of the Company's shares outstanding as at that date.

Notes to Financial Statements

December 31, 2025

35. Share-based payments (continued)**Phase 1 Employee Stock Ownership Plan (the "JY ESOP I")**

On March 28, 2022, Joyoung adopted the phase I employee stock ownership plan (the "JY ESOP I"), which was amended on April 1, 2022 and approved by the shareholders of Joyoung on April 22, 2022.

There were 7 participants in total under the JY ESOP I, including the directors, senior management and core employees of Joyoung and its subsidiaries.

The source of the fund of the JY ESOP I was directly from the participants, including their self-owned funds, as well as their future remunerations that expected to be entitled, and other available sources within the framework of the applicable laws and regulations.

On October 20, 2022, 16,000,000 shares in total under the JY ESOP ("the target shares") were granted to these participants. Shares granted to these participants were from the treasury shares previously repurchased from the stock market by Joyoung.

Pursuant to the JY ESOP I, the target shares granted will be eligible to vest over the next five years on the condition that the related performance target for each tranche were satisfied, based on the following schedule:

Tranche	Vesting date	Maximum portion of the target shares can be vested
1	November 3, 2023	20%
2	November 3, 2024	20%
3	November 3, 2025	20%
4	November 3, 2026	20%
5	November 3, 2027	20%

Notes to Financial Statements

December 31, 2025

35. Share-based payments (continued)

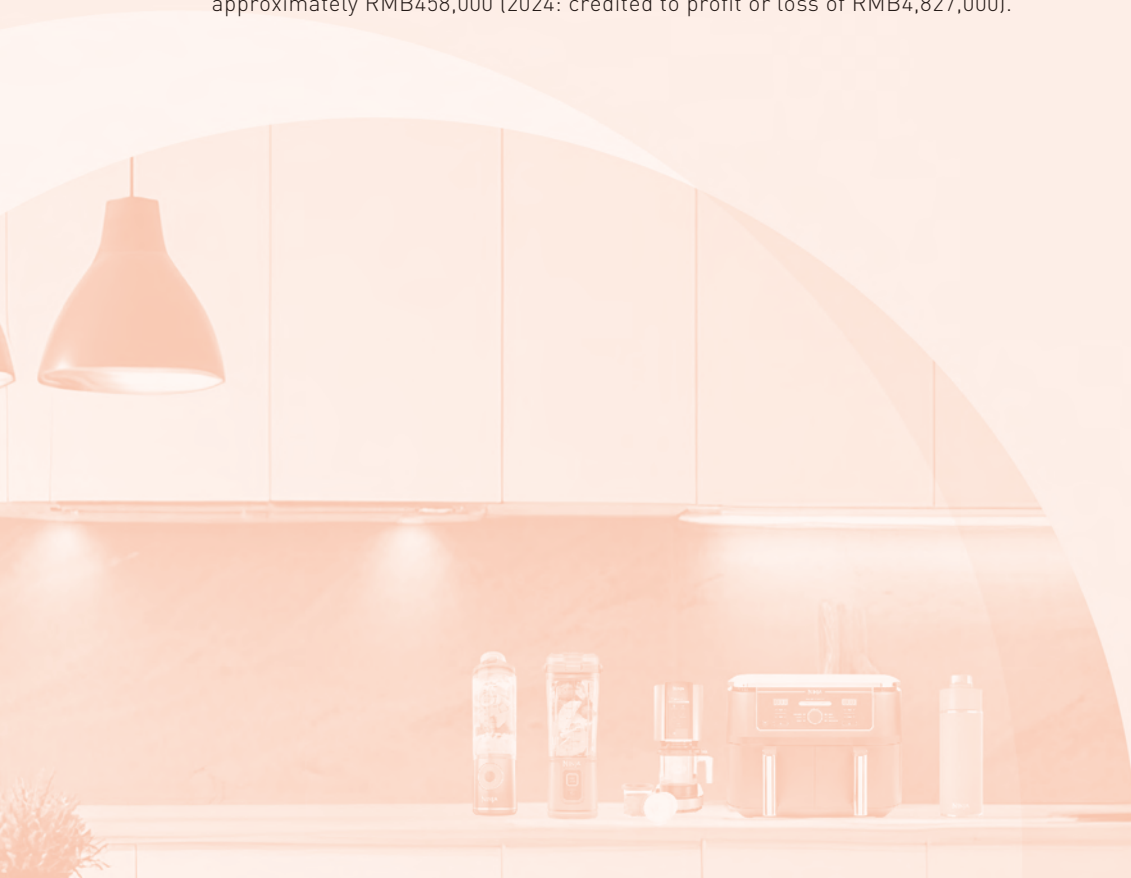
Phase 1 Employee Stock Ownership Plan (the “JY ESOP I”) (continued)

On October 27, 2023, 4,660,000 shares in total under the JY ESOP I were granted to 23 participants. Shares granted to these participants were from the treasury shares previously repurchased from the stock market by Joyoung.

The following share were outstanding under the JY ESOP I during the year:

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Fair value per share	Number of shares	Fair value per share	Number of shares
	RMB		RMB	
At the beginning of the year	14.04	7,548,750	14.04	9,150,000
Forfeited during the year	14.04	(4,398,750)	14.04	(1,601,250)
At the end of the year	14.04	3,150,000	14.04	7,548,750

Total expense charged to profit or loss for the year ended December 31, 2025 related to the JY ESOP I was approximately RMB458,000 (2024: credited to profit or loss of RMB4,827,000).



Notes to Financial Statements

December 31, 2025

36. Reserves

The amounts of the Group's reserves and the movements therein for the current year and prior year are presented in the consolidated statement of changes in equity.

Pursuant to the relevant rules and regulations in the PRC and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries appropriate 10% of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their respective registered capital. During the reporting period, no profit was appropriated for the statutory reserve as the accumulated statutory reserve fund of the Group's PRC subsidiaries has reached 50% of their respective registered capital.

37. Non-controlling interests

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests as at December 31:		
Joyoung Co., Ltd.	32.93%	32.93%
	2025	2024
	US\$'000	US\$'000
Profit for the year allocated to non-controlling interests:		
Joyoung Co., Ltd.	5,320	4,446
Dividends paid to non-controlling interests:		
Joyoung Co., Ltd.	5,116	5,988
Accumulated balances of non-controlling interests at the reporting date:		
Joyoung Co., Ltd.	163,201	160,535

Notes to Financial Statements

December 31, 2025

37. Non-controlling interests (continued)

The following tables illustrate the summarized financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2025 US\$'000	2024 US\$'000
Revenue	1,130,260	1,223,458
Total cost and expenses	(1,114,067)	(1,209,427)
Profit for the year	16,193	14,031
Total comprehensive income for the year	16,353	13,349
Current assets	895,168	802,091
Non-current assets	219,677	239,745
Current liabilities	597,684	554,427
Non-current liabilities	2,987	6,463
Net cash flows from operating activities	108,425	24,813
Net cash flows from investing activities	20,513	36,430
Net cash flows used in financing activities	19,861	(21,061)
Net increase in cash and cash equivalents	148,799	40,182



Notes to Financial Statements

December 31, 2025

38. Notes to the consolidated statement of cash flows

Changes in liabilities arising from financing activities

	Dividends payable US\$'000	Interest-bearing bank borrowings US\$'000	Lease liabilities US\$'000
At January 1, 2025	-	15,000	17,788
Changes from financing cash flows	(5,116)	63,375	(6,496)
Dividends declared	5,116	-	-
Additions of lease liabilities	-	-	2,485
Disposal of lease liabilities	-	-	(710)
Interest expenses during the year	-	1,577	846
Exchange differences	-	-	265
At December 31, 2025	-	79,952	14,178

	Dividends payable US\$'000	Interest-bearing bank borrowings US\$'000	Lease liabilities US\$'000
At January 1, 2024	-	-	5,709
Changes from financing cash flows	(5,988)	15,000	(5,958)
Dividends declared	5,988	-	-
Acquisition of a subsidiary	-	-	424
Disposal of a subsidiary	-	-	(311)
Additions of lease liabilities	-	-	18,006
Disposal of lease liabilities	-	-	(300)
Interest expenses during the year	-	-	530
Exchange differences	-	-	(312)
At December 31, 2024	-	15,000	17,788

39. Pledge of assets

Details of the Group's trade and bills payables and bank borrowings, which are secured by the assets and guaranteed by subsidiaries of the Group, are included in notes 27 and 30 to the financial statements.

Notes to Financial Statements

December 31, 2025

40. Related party transactions

(a) The Group had the following transactions with related parties during the year:

	Notes	2025 US\$'000	2024 US\$'000
Sales of goods to associates:	i		
Shenyang Boerman Trading Co., Limited (瀋陽伯爾曼商貿有限公司)		8,474	9,741
Henan Xulian Trading Co., Limited (河南旭聯商貿有限公司)		4,311	3,149
Guangxi Xindongfei Trading Co., Limited (廣西鑫東飛商貿有限公司)		1,776	1,697
Shenzhen Northwest Sunshine Appliance Co., Limited (深圳市西貝陽光電器有限公司)		-	10,430
Beijing Zhongdingzhilian Trading Co., Limited (北京中鼎智聯商貿有限公司)		-	200
Others	ii	4,470	2,657
		19,031	27,874
Purchases of goods from associates:	i		
Hangzhou XinDuoDa Electronic Technology Co., Limited (杭州信多達電子科技有限公司)		48,666	53,450
Shandong Shengning Appliance Co., Limited (山東勝寧電器有限公司)		15,450	21,479
Others	ii	119	153
		64,235	75,082
Sales of goods to a related party	iii	88,680	191,628
Service income from a related party	iv	5,922	38,821
		94,602	230,449

Notes to Financial Statements

December 31, 2025

40. Related party transactions (continued)

(a) The Group had the following transactions with related parties during the year: (continued)

	Notes	2025 US\$'000	2024 US\$'000
Rental income from related parties	v	660	637
Service income from related parties	vi	519	5,836
Advances to related parties	vii	1,075	5,223
Settlement of advance to related parties	vii	-	13,309
Advances to a disposed subsidiary	viii	-	7,771
Model engineering and quality control service income from a related party	ix	-	2,811
Brand license fee	x	15,543	9,947
Product development fee	x	6,640	2,000
Transition services fee	xi	1,750	3,000

Notes:

- (i) The sales to/purchases from the associates were made according to the prices and conditions mutually agreed by both parties.
- (ii) The amounts represented the aggregate transaction amounts with certain of the Group's associates that are widely dispersed and not individually significant.
- (iii) The purchases made by SharkNinja (Hong Kong) Company Limited ("SNHK") from Joyoung Co., Ltd. and its subsidiaries shall be conducted within the annual caps amount that were approved on the extraordinary general meeting. These purchases constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.
- (iv) Pursuant to the sourcing services agreement between JS Global Trading HK Limited ("JSGT", as supplier) and SNHK (as purchaser), JSGT provides sourcing services to SNHK, and the amount of the service fee is based on the agreed percentage of the procurement amount as defined in the Sourcing Services Agreement. The services constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.
- (v) The rental income from related parties was generated according to the contracts agreed by both parties.
- (vi) The service income from related parties was generated according to the contracts agreed by both parties. Included in the service income was trademark royalty income the Group provided to Hangzhou Joyoung Bean Industry Limited amounting to US\$4,746,000 for the year of 2024.

Notes to Financial Statements

December 31, 2025

40. Related party transactions (continued)

(a) The Group had the following transactions with related parties during the year: (continued)

Notes: (continued)

- (vii) In 2025, the Group paid individual income tax of US\$1,075,000 in relation to the share award scheme on behalf of certain key management (2024: US\$5,223,000).

The advance to related parties was interest-free and was not settled during the year of 2025 (2024: US\$13,309,000 was settled with remuneration to which the key management entitled).

- (viii) In 2024, the Group advanced US\$7,771,000 to a subsidiary (“深圳甲殼蟲智能有限公司”) before the disposal, which has been settled in 2025.
- (ix) Model engineering and quality control service income from a related party was made according to the contracts agreed by both parties. The transaction amount was US\$2,811,000 in 2024.
- (x) During the year, JS GT received brand license and product development services from SharkNinja Europe Ltd. These transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.
- (xi) During the year, JS GT received certain transition services, including information technology and back-office services as well as front-office services from SharkNinja, Inc. pursuant to the agreement signed between the two parties on July 29, 2023, with the purpose of facilitating the Group’s business operations of products under the brands of “Shark” and “Ninja” in the Asia Pacific Region. The services constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group has complied with the requirements in Chapter 14A of the Listing Rules.

(b) Outstanding balances with related parties:

- (i) Details of the Group’s trade balances with its associates and other related parties as at the end of the reporting period are disclosed in notes 24 and 27 to the financial statements.
- (ii) Details of the Group’s amounts due from related parties as at the end of the reporting period are disclosed in note 25 to the financial statements.
- (iii) Details of the Group’s contract liabilities to related parties and amounts due to related parties as at the end of the reporting period are disclosed in note 28 to the financial statements.

Notes to Financial Statements

December 31, 2025

40. Related party transactions (continued)**(c) Compensation of key management personnel of the Group**

Compensation for key management other than those for directors as disclosed in note 9 to the financial statements is set out below:

	2025	2024
	US\$'000	US\$'000
Salaries, allowances and benefits in kind	823	935
Performance-related bonuses	128	–
Pension scheme contributions	51	59
Share award expense	15	–
Total	1,017	994

Notes to Financial Statements

December 31, 2025

41. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

December 31, 2025

Financial assets

	Financial assets at fair value through other comprehensive income US\$'000	Financial assets at fair value through profit or loss US\$'000	Financial assets at amortized cost US\$'000	Total US\$'000
Financial assets at fair value through profit or loss	-	142,395	-	142,395
Financial assets designated at fair value through other comprehensive income	40,144	-	-	40,144
Other non-current assets	-	-	4,896	4,896
Trade and bills receivables	119,758	-	327,813	447,571
Financial assets included in prepayments, other receivables and other assets	-	-	9,777	9,777
Pledged deposits	-	-	63,195	63,195
Cash and cash equivalents	-	-	556,347	556,347
Total	159,902	142,395	962,028	1,264,325

Notes to Financial Statements

December 31, 2025

41. Financial instruments by category (continued)

December 31, 2025 (continued)

Financial liabilities

	Financial liabilities at fair value US\$'000	Financial liabilities at amortized cost US\$'000	Total US\$'000
Trade and bills payables	-	555,534	555,534
Financial liabilities included in other payables and accruals	-	94,814	94,814
Other current financial liabilities	33	5,120	5,153
Interest-bearing bank borrowings	-	79,952	79,952
Lease liabilities	-	14,178	14,178
Total	33	749,598	749,631

December 31, 2024

Financial assets

	Financial assets at fair value through other comprehensive income US\$'000	Financial assets at fair value through profit or loss US\$'000	Financial assets at amortized cost US\$'000	Total US\$'000
Financial assets at fair value through profit or loss	-	216,470	-	216,470
Financial assets designated at fair value through other comprehensive income	37,228	-	-	37,228
Other non-current assets	-	-	1,703	1,703
Trade and bills receivables	120,639	-	278,549	399,188
Financial assets included in prepayments, other receivables and other assets	-	-	25,684	25,684
Pledged deposits	-	-	70,060	70,060
Cash and cash equivalents	-	-	359,580	359,580
Total	157,867	216,470	735,576	1,109,913

Notes to Financial Statements

December 31, 2025

41. Financial instruments by category (continued)

December 31, 2024 (continued)

Financial liabilities

	Financial liabilities at fair value US\$'000	Financial liabilities at amortized cost US\$'000	Total US\$'000
Trade and bills payables	–	522,265	522,265
Financial liabilities included in other payables and accruals	–	80,188	80,188
Other current financial liabilities	457	–	457
Interest-bearing bank borrowings	–	15,000	15,000
Lease liabilities	–	17,788	17,788
Total	457	635,241	635,698

42. Fair value and fair value hierarchy of financial instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	December 31, 2025 US\$'000	December 31, 2024 US\$'000	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Financial assets:				
Equity investments designated at fair value through other comprehensive income	40,144	37,228	40,144	37,228
Financial assets at fair value through profit or loss	142,395	216,470	142,395	216,470
Financial liabilities:				
Other current financial liabilities	(33)	(457)	(33)	(457)

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance manager analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

Notes to Financial Statements

December 31, 2025

42. Fair value and fair value hierarchy of financial instruments (continued)

Management has assessed that the fair values of cash and cash equivalents, pledged deposits other than those measured at fair value, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Bills receivable and certain pledged deposits measured at fair value are categorized as Level 2, while financial assets at fair value through profit or loss, financial assets designated at fair value through other comprehensive income are categorized as Level 3.

For financial assets measured at fair value, the following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

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

The fair values of listed equity investments are based on quoted market prices. The Group invests in financial products issued by banks in Chinese mainland and investment funds in accordance with the entrusted agreements entered into between the parties involved. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Notes to Financial Statements

December 31, 2025

42. Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis at the end of each reporting period:

	As at December 31, 2025 US\$'000	2024 US\$'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Unlisted financial assets at fair value through profit or loss	52,877	69,652	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties	Expected yield of the underlying investment portfolio and the discount rate	Discount rate -1% to discount rate +1% (December 31, 2024: Discount rate -1% to discount rate +1%)	1% (December 31, 2024: 1%) increase/decrease in multiple would result in decrease/increase in fair value by US\$-241,000/ US\$177,000 (December 31, 2024: US\$-175,000/ US\$180,000)
Unlisted financial assets designated at fair value through other comprehensive income	40,144	37,228	Level 3	Discounted cash flows. Future cash flows are estimated based on the expected applicable yield of the underlying investment portfolio, discounted at a rate that reflects the credit risk of various counterparties	Expected yield of the underlying investment portfolio and the discount rate	Discount rate -1% to discount rate +1% (December 31, 2024: Discount rate -1% to discount rate +1%)	1% (December 31, 2024: 1%) increase/decrease in multiple would result in decrease/increase in fair value by US\$-3,495,000/ US\$3,460,000. (December 31, 2024: US\$-3,496,000/ US\$3,605,000)

Notes to Financial Statements

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42. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy

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

Assets measured at fair value:

As at December 31, 2025

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets:				
Financial assets designated at fair value through other comprehensive income	-	-	40,144	40,144
Financial assets at fair value through profit or loss	89,518	-	52,877	142,395
Bills receivable	-	119,758	-	119,758
Financial liabilities:				
Other current financial liabilities	-	(33)	-	(33)

As at December 31, 2024

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets:				
Financial assets designated at fair value through other comprehensive income	-	-	37,228	37,228
Financial assets at fair value through profit or loss	146,818	-	69,652	216,470
Bills receivable	-	120,639	-	120,639
Financial liabilities:				
Other current financial liabilities	-	(457)	-	(457)

Notes to Financial Statements

December 31, 2025

43. Financial risk management objectives and policies

The Group's principal financial instrument comprises interest-bearing bank loans. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals and other current financial liabilities, which arise directly from its operations.

The Group also enters into derivative transactions, including forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax through the impact on floating rate borrowings and the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax US\$'000
2025		
If interest rate increases by	1	(300)
If interest rate decreases by	(1)	300
2024		
If interest rate increases by	1	(3,593)
If interest rate decreases by	(1)	3,593

Notes to Financial Statements

December 31, 2025

43. Financial risk management objectives and policies (continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 13.38% (2024: 29.08%) of the Group's sales in 2025 were denominated in currencies other than the functional currencies of the operating units making the sales. Management has assessed that the Group's profit before tax is not sensitive to the currency exchange rate at the end of each reporting period.

The Group entered into derivative transactions, including forward currency contracts to manage the interest rate and currency risks arising from the Group's operations. As at December 31, 2025, the Group had forward currency contracts measured at fair value which were recorded in other current financial liabilities.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB and HK\$ exchange rates of the Group's equity due to changes in the currency translation.

	Increase/ (decrease) in exchange/ rate %	Increase/ (decrease) in equity* US\$'000
December 31, 2025		
If US\$ weakens against RMB	5	13,655
If US\$ strengthens against RMB	(5)	(13,655)
If US\$ weakens against HK\$	5	207
If US\$ strengthens against HK\$	(5)	(207)
December 31, 2024		
If US\$ weakens against RMB	5	44,241
If US\$ strengthens against RMB	(5)	(44,241)
If US\$ weakens against HK\$	5	97
If US\$ strengthens against HK\$	(5)	(97)

* Excluding retained profits

Notes to Financial Statements

December 31, 2025

43. Financial risk management objectives and policies (continued)

Credit risk

The Group is exposed to credit risk in relation to its trade and bills receivables and other receivables, pledged deposits and cash and cash equivalents.

The Group expects that there is no significant credit risk associated with pledged deposits and cash and cash equivalents since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group expects that the credit risk associated with trade and bills receivables and other receivables due from related parties is considered to be low since related parties have a strong capacity to meet its contractual cash flow obligations in the near term. Impairment provision recognized during the reporting period was US\$506,000 for the trade receivables and other receivables due from related parties (2024: US\$623,000).

The Group trades only with recognized and creditworthy third parties. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables and other receivables are widely dispersed. The expected credit losses for trade receivables are disclosed in note 24 Financial assets included in prepayments, other receivables and other assets mainly represent rental receivables, advances from employees, deposits with suppliers and amounts due from related parties. Credit risk is managed by analysis by counterparties, as no comparable companies with credit ratings can be identified. Expected credit losses are estimated with reference to the historical loss record of the Group and other reasonable forward-looking information, which resulted in expected credit losses reversal of US\$909,000 as at December 31, 2025 (2024: charge of US\$631,000). In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 24 to the financial statements.

Notes to Financial Statements

December 31, 2025

43. Financial risk management objectives and policies (continued)**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding to finance its working capital needs as well as capital expenditure in respect of its development projects, and flexibility through the use of stand-by credit facilities.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on contractual undiscounted payments, is as follows:

Year ended December 31, 2025

	Less than 3 months US\$'000	3 to 12 months US\$'000	1 to 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Interest-bearing bank borrowings	33,105	19,092	31,558	–	83,755
Trade and bills payables	142,516	409,610	3,408	–	555,534
Financial liabilities included in other payables and accruals	94,814	–	–	–	94,814
Lease liabilities	1,624	4,286	10,975	–	16,885
	272,059	432,988	45,941	–	750,988

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December 31, 2025

43. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Year ended December 31, 2024

	Less than 3 months US\$'000	3 to 12 months US\$'000	1 to 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
Interest-bearing bank borrowings	215	646	15,933	–	16,794
Trade and bills payables	33,800	487,350	1,115	–	522,265
Financial liabilities included in other payables and accruals	80,188	–	–	–	80,188
Lease liabilities	2,265	5,552	12,327	–	20,144
	116,468	493,548	29,375	–	639,391

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for capital management during the reporting period.

44. Events after the reporting period

The Group did not have any significant events subsequent to the year ended December 31, 2025.

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December 31, 2025

45. Statement of financial position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 US\$'000	2024 US\$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	22,671	22,671
CURRENT ASSETS		
Prepayments, other receivables and other assets	268	71
Cash and cash equivalents	10,712	2,837
Pledged deposits	394	-
Due from subsidiaries	113,992	105,308
Total current assets	125,366	108,216
CURRENT LIABILITIES		
Other payables and accruals	148,768	109,581
Other current financial liabilities	-	457
Total current liabilities	148,768	110,038
NET CURRENT LIABILITIES	(23,402)	(1,822)
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	30,000	15,000
Net (liabilities)/assets	(30,731)	5,849
EQUITY		
Issued capital	34	34
Share premium	810,223	810,223
Share award reserve	28,288	31,647
Reserves	(869,276)	(836,055)
Total equity	(30,731)	5,849

Notes to Financial Statements

December 31, 2025

45. Statement of financial position of the Company (continued)

A summary of the Company's reserves is as follows:

	Issued capital US\$'000	Share premium US\$'000	Share award reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at January 1, 2025	34	810,223	31,647	(836,055)	5,849
Total comprehensive income for the year	-	-	-	(38,041)	(38,041)
Equity-settled share award scheme	-	-	1,461	-	1,461
Settlement of share award scheme	-	-	(4,820)	4,820	-
At December 31, 2025	34	810,223	28,288	(869,276)	(30,731)
Balance at January 1, 2024	34	810,223	32,777	(733,871)	109,163
Total comprehensive income for the year	-	-	-	(107,290)	(107,290)
Equity-settled share award scheme	-	-	3,976	-	3,976
Settlement of share award scheme	-	-	(5,106)	5,106	-
At December 31, 2024	34	810,223	31,647	(836,055)	5,849

46. Comparative amounts

Certain comparative figures in the notes to financial statements have been reclassified to conform with the current year's presentation to facilitate comparison.

47. Approval of the financial statements

The financial statements were approved and authorized for issue by the board of directors of the Company on March 26, 2026.

Definitions

“Annual General Meeting”	the forthcoming annual general meeting of the Company to be held on May 22, 2026
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“China” or “PRC”	the People’s Republic of China, and for the purposes of this annual report for geographical reference only (unless otherwise indicated), excluding Chinese Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong
“Company”, “Our Company” or “JS Global Lifestyle”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 26, 2018, the Shares of which are listed on the Stock Exchange
“Controlling Shareholders”	as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“Group” or “we”	the Company (any one or more of, as the context may require) and its subsidiaries and operating entities
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“Joyoung”	Joyoung Co., Ltd. (九陽股份有限公司), a company incorporated in the PRC, whose A shares are listed on the Shenzhen Stock Exchange (stock code: 002242), and a subsidiary of the Company
“Latest Practicable Date”	April 17, 2026, being the latest practicable date prior to the publication of this annual report for ascertaining certain information in this annual report
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	December 18, 2019, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company adopted and effective from May 22, 2023 and as amended from time to time

Definitions

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period” or “Year”	the year ended December 31, 2025
“RMB”	the lawful currency of the PRC
“RSU(s)”	the restricted stock unit(s) of the Company
“RSU Committee”	a committee comprising certain members of the Board, duly established by the Board on August 25, 2020 pursuant to the restricted stock units plan approved and adopted by the Company on October 9, 2019
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“SharkNinja”	SharkNinja, Inc., an exempted limited liability company incorporated in the Cayman Islands and the demerger entity in the Spin-off, which is listed on the New York Stock Exchange (ticket: SN)
“SharkNinja Group”	SharkNinja, SharkNinja SPV and their respective subsidiaries
“SharkNinja SPV”	SharkNinja Global SPV, Ltd. (formerly known as Compass Cayman SPV, Ltd.), an exempted company incorporated under the laws of the Cayman Islands on June 27, 2017
“Spin-off”	the separate listing of the shares of SharkNinja on the New York Stock Exchange on July 31, 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	the lawful currency of the United States
“%”	per cent



JS
Global