



优趣汇控股有限公司
UNQ HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號：2177

2025

ANNUAL REPORT 年報



CONTENTS

2	Company Profile
3	Corporate Information
5	Chairman's Statement
7	Management Discussion and Analysis
23	Biographical Details of Directors and Senior Management
28	Report of the Directors
45	Corporate Governance Report
63	Independent Auditor's Report
68	Consolidated Statement of Comprehensive Income
70	Consolidated Balance Sheet
72	Consolidated Statement of Changes in Equity
73	Consolidated Statement of Cash Flows
74	Notes to the Consolidated Financial Statements
154	Five-year Financial Summary
155	Definitions





COMPANY PROFILE

UNQ Holdings Limited is a leading brand e-commerce service provider in China, focusing on fast-moving consumer goods, including personal care products for adults, health products, beauty products, personal care products for babies and others. We cooperate with over 50 brands, including SOFY, moony of Unicharm, brands of FineToday including but not limited to AQUAIR, KUYURA, Super Mild, FINO, Kose Cosmeport of Kose, Alcon Laboratories, Kobayashi Pharmaceutical, Ohta's Isan, Santen, Daiichi Sankyo, Taisho Pharmaceutical, ARS and etc., and provide brands with omnichannel, one-stop and high value-added operations and customized services, empowering brands and promoting values. Leveraging strong market insights, profound experience in digital e-commerce operations and comprehensive channel layout capabilities, we have begun to seek a new direction of development. Through deep co-creation with brands, incubation of proprietary brands, and mergers and acquisitions, we will implement a dual-strategy of being both an e-commerce operations service provider and a proprietary brand owner.

The Group acts as the bridge between brand partners, e-commerce platforms and customers in China. We operate our business primarily through distribution method and service fee method. Under the distribution model, we purchase products from selected brand partners, manage Chinese and cross-border supply chains, identify and reach target customers through omnichannel marketing, and sell products to customers through online marketplace stores operated by us, which we refer to as our business-to-customer, or B2C model, or to e-commerce platforms or other distributors, which, in turn, sell to customers, which we refer to as our business-to-business, or B2B model. Under the service fee method, as a supplement to the B2C and B2B models, we also provide our solutions to brand partners or other customers for service fees.

The Group will be continuously and deeply engaged in its business areas and improve its overall operational efficiency. Meanwhile, it will keep up with the industry development trend, gain insight into consumer demand, provide more forward-looking operational services for brand partners, drive more spending traffic to e-commerce platforms and offer more high-quality and interesting products to customers.



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. WANG Yong (*Chairman and Chief Executive Officer*)

Mr. SHEN Yu

Ms. CHEN Weiwei

Non-executive Director

Mr. NAKAYAMA Kokkei

Independent Non-executive Directors

Dr. NG Kam Wah Webster

Mr. WEI Hang

Ms. XIN Honghua

JOINT COMPANY SECRETARIES

Mr. SHEN Yu

Ms. POON Wai Shan (*ACG, HKACG*)

(appointed on 30 March 2026)

Ms. NG Sau Mei (*FCG, HKFCG*)

(resigned on 30 March 2026)

AUDIT COMMITTEE

Dr. NG Kam Wah Webster (*Chairman*)

Mr. WEI Hang

Ms. XIN Honghua

REMUNERATION COMMITTEE

Mr. WEI Hang (*Chairman*)

Dr. NG Kam Wah Webster (*appointed on 28 March 2025*)

Ms. XIN Honghua (*resigned on 28 March 2025*)

Mr. WANG Yong

NOMINATION COMMITTEE

Mr. WANG Yong (*Chairman*)

Ms. XIN Honghua (*appointed on 28 March 2025*)

Dr. NG Kam Wah Webster (*resigned on 28 March 2025*)

Mr. WEI Hang

AUTHORISED REPRESENTATIVES

Mr. SHEN Yu

Ms. POON Wai Shan (*ACG, HKACG*)

(appointed on 30 March 2026)

Ms. NG Sau Mei (*FCG, HKFCG*)

(resigned on 30 March 2026)

AUDITOR

BDO Limited

Certified Public Accountants

25th Floor Wing On Centre

111 Connaught Road Central

Hong Kong

LEGAL ADVISER

As to Hong Kong law:

Stephenson Harwood

43/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

REGISTERED OFFICE

Campbells Corporate Services Limited

Floor 4, Willow House, Cricket Square

Grand Cayman KY1-9010

Cayman Islands



CORPORATE INFORMATION

HEAD OFFICE

Room 503, MT Lujiazui Binjiang Center
No. 1436 Puming Road
Pudong New Area
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Sumitomo Mitsui Banking Corporation,
Hong Kong Branch
7/F-8/F, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

The Hongkong and Shanghai
Banking Corporation Limited
1 Queen's Road Central
Hong Kong

STOCK CODE

2177

COMPANY'S WEBSITE

www.youquhui.com

LISTING DATE

12 July 2021



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board and the management of UNQ, I would like to thank you for your continued interest, trust and support to the Group.

In 2025, the e-commerce market in China sustained the momentum of steady development, with its growth model shifting from the pursuit of scale expansion towards a dual breakthrough in “volume efficiency” and “brand value”. In response to the complex and ever-changing external environment, the Group has actively changed its response. On the one hand, the Group has continuously optimized its brand matrix, focused on core resources, deeply cultivated brand value, and improved operational efficiency with the help of artificial intelligence tools, so as to strive to improve operational quality. On the other hand, the Group accelerated its layout in the health and wellness sector, actively developed its proprietary health brands such as Vanpearl while intensifying efforts to introduce new health and wellness brands to enhance market competitiveness and build a corporate moat.

STRATEGIC “ADDITION AND SUBTRACTION” TO DRIVE STRUCTURAL UPGRADE

In 2025, the Group has focused on core businesses and optimised its business portfolio to achieve business transformation and upgrading.

“Subtraction”: Actively Optimizing to Solidify the Foundation

During the year, the Group continued to optimize the cooperation with some brands with low gross profit margin, and sorted out some brands and e-commerce operation services that lacked business growth potential. Despite the decrease in revenue due to the adjustment of cooperation and the impact of market environment, the Group deepened the relationship with core strategic partners to ensure the stability of the basic market and the improvement of efficiency.

“Addition”: Focusing on Health to Incubate the Future

The “Health and Wellness” sector is the future growth engine targeted by the Group and demonstrated strong momentum during the year. Revenue from sales of health products increased by 67.2% year-on-year, making it the fastest growing business segment of the Group. This achievement is attributable to the dual-wheel drive of the Group’s “proprietary brand incubation” and “introduction of strong brands”:

New development of proprietary brands: Vanpearl, a Canadian health food brand successfully incubated by the Group, contributed RMB21.7 million in revenue during the Reporting Period. Meanwhile, in January 2026, the Group completed the acquisition of a well-known Japanese consulting pharmacy chain brand named Akahige Pharmacy (あかひげ薬局). This move not only opens a window for the Group to gain an in-depth understanding of the Health and Wellness consumer market, but also represents a key step towards strategic investment and cooperation in the Health and Wellness sector. In the Chinese market, Akahige Pharmacy will combine artificial intelligence health management tools and health data analysis to customise personalized health consultation solutions; at the same time, with the help of UNQ’s cross-border channels and efficient operation capabilities, it promoted high-quality products and services to enter the Chinese market; by building an intelligent health platform, the Group can accurately match user needs and improve supply chain efficiency, in order to bring better products and services to consumers.

The newly introduced health brands delivered an exceptional performance. During the Reporting Period, the newly introduced health brands, such as Santen and Alcon, contributed incremental revenue of RMB81.6 million.

STRUCTURAL ADJUSTMENT ACHIEVED RESULTS AND OPERATING RESILIENCE CONTINUED TO ENHANCE

In 2025, the Group's financial performance clearly reflected the trajectory of strategic adjustments. Through the continuous optimization of cooperation with some low-margin brands and e-commerce operation services that lack business growth potential, and the continuous expansion of investment and layout in the health and wellness sector, while actively introducing new health brands, the decrease in revenue narrowed to a total revenue of RMB1,292.9 million. More importantly, the Group's profitability continued to improve, with the Group's overall gross profit margin increasing to 33.7% in 2025 (a rise of 3.7 percentage points year-on-year). This achievement was attributable to our systematic optimization of brand and channel mix, the introduction of artificial intelligence tools to improve operational efficiency, and a strategic focus on high-profit channels.

GATHERING BRAND EMPOWERMENT AND DEEPENING OMNI-CHANNEL GROWTH

In 2025, the Group continued to focus on core resources, deeply integrating professional market insights and refined operational capabilities into cooperative brands, and at the same time cultivating in the omni-channel field, ultimately promoting high-quality breakthroughs in a number of businesses. The Sofy brand was honored with Tmall Supermarket's "City Consumers' Most Loved Brand Award" (城市消費者超愛品牌獎), and Super Sleeping Pants of Sofy was awarded the "2025 Tmall Golden Makeup Award Female Care Product of the Year" (2025天貓金妝獎年度女性護理獎). The Ego brand was awarded the "Outstanding Efficacy Award" (卓有成效獎) by Tmall International for Global Baby Care in 2025. The cleansing oil from the Kose Cosmeport brand, under the Kose Group, exceeded sales of 3.5 million bottles in 2025. Taisho Pharmaceutical's adult cold medicine was awarded the TOP 1 in the Tmall International Single Product International Cold and Cough Medicine List; artificial tears, motion sickness medicine, and oral patches are listed among the TOP 1 single products on Tmall Global.

2026: TOWARDS A NEW CYCLE OF HIGH-QUALITY GROWTH

Looking ahead to 2026, the Group will focus on the following strategic directions:

1. Deepening the profit growth model and further improving operational efficiency: We will continue to optimize the brand and channel structure, increase the proportion of high gross profit businesses, ensure the steady improvement of profitability, and transform the gross profit margin advantage into sustained net profit growth. We will continue to pay attention to key indicators such as capital operation efficiency and ROI of the brand, increase the proportion of artificial intelligence applications, and constantly promote artificial intelligence, big data management and other technologies to play a core role in customer service and supply chain management, so as to improve operational efficiency; and
2. Make every effort to build the second growth curve: We will place the "Health and Wellness" sector at the core of the Group's development, increase the incubation and investment in proprietary brands (such as Vanpearl and Akahige Pharmacy), integrate newly introduced health business brands, enhance brand value, and build a diversified and competitive product matrix.

Those who start boldly must plan for the end, and successful people plan from the beginning. In 2026, UNQ will strengthen its resolve and take advantage of the momentum to solidly promote the high-quality development of core business, and deliver even greater returns to its shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2025, China's economy demonstrated strong resilience amidst a complex external environment, with the consumer market exhibiting distinct structural characteristics of "overall growth coupled with price competition". Although residents' consumption expectations have improved, price sensitivity has generally increased, and the e-commerce industry has entered a new competitive phase centered around "extreme cost-effectiveness". Major platforms such as Taobao, JD.com, and Pinduoduo (拼多多) have increasingly leveraged AI technology to enhance operational efficiency, introducing time-limited direct subsidies and price comparison mechanisms to attract price-sensitive users. Consequently, the industry's primary driver has shifted from the previous "traffic dividends" to an "efficiency revolution".

At the same time, the public's awareness of health is gradually increasing. The "2025 Consumer Emerging Potential White Paper" released by Moojing Market Intelligence indicates that in 2025, the health and wellness market continued to grow, with sales on China's major e-commerce platforms reaching RMB304.38 billion, representing a year-on-year increase of 15.8%. The sales volume reached approximately 2.92 billion units, representing a year-on-year growth of 19.0%. Among them, health-care food constituted the largest category, with sales reaching RMB124.48 billion, representing a year-on-year increase of 19.9%.

Facing the external environment of macroeconomic consumption pressure and intense industry competition, the Group adhered to its established strategy and proactively sought transformation. In 2025, we systematically reviewed and optimized our brand matrix. On one hand, we decisively scaled back channels and brands with low gross profit margins and operational efficiency, concentrating resources to deepen strategic collaborations with core brand partners. Leveraging improved supply chain operational efficiency, we effectively mitigated the risks from low-price competition. On the other hand, we actively capitalized on the wave of health consumption and continuously strengthening our presence in the health sector. As a result, we not only successfully introduced new health-related business brands but also increased strategic investment in our proprietary health brands, focused on product incubation, brand upgrades and omni-channel deployment. Throughout 2025, revenue from Douyin (抖音), Pinduoduo and overseas businesses as a proportion of the Group's overall revenue continued to increase, rising from 11.1% in the same period of last year to 12.3%. The proportion of revenue from the health sector increased from 10.7% in the same period of last year to 18.7%, demonstrating the Group's initial competitive advantage in emerging channels and high-growth tracks.

In 2025, the Group's overall revenue was RMB1,292.9 million, representing a decrease of 4.1% as compared to the same period of last year, while the gross profit margin was 33.7%, representing an increase of 3.7 percentage points as compared to 30.0% for the same period of last year and the net profit was RMB24.1 million, representing a year-on-year decrease of RMB12.4 million as compared to the net profit of RMB36.5 million for the same period of last year, which was mainly attributable to (i) enhanced operational efficiency, improved transaction terms, optimized business structure and the termination of cooperation with certain brands, resulting in increased profitability while revenue declined slightly; (ii) the Group's focus on the health sector, with the addition of new health brands and proprietary brands driving overall gross profit margin growth; and (iii) equity transfer gains recorded in the prior year and increased impairment losses in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The Group recorded revenue of RMB1,292.9 million in 2025, representing a decrease of 4.1% as compared to the same period of last year. Although the Group's overall revenue declined, the rate of decline narrowed significantly as compared to the previous year, as the strategic benefits from the continued deep cultivation in brand structure, channel layout and the health sector were gradually emerging. This was mainly due to (i) deepened brand cooperation and enhanced operational efficiency: the Group continued to strengthen strategic collaboration with core brand partners, actively seeking brand annual exclusivity rights, and providing partners with precise marketing strategies and supply chain solutions. Benefiting from enhanced operational efficiency and refined channel management, certain core brands and channels recorded significant sales growth; (ii) leapfrog growth in proprietary and health brands: the Group accelerated its layout in the health sector, focusing on the expansion of proprietary brands and the introduction of new health brands, which became important growth drivers in optimizing the Group's business structure; and (iii) brand structure optimization strategy: to optimize the business structure and concentrate resources on core sectors, the Group terminated cooperation with one personal care brand in 2025 after comprehensive assessment, resulting in reduced revenue from such brand as compared to the same period of last year. The Group will continue to focus its advantageous resources on business areas with high growth potential, aiming to explore development paths with greater synergistic effects.

Revenue by product categories in absolute amount and as a percentage of total revenue

	Year ended 31 December				year-on-year change (%)
	2025		2024		
	RMB'000	%	RMB'000	%	
Sales of goods					
Personal care products for adults	764,664	59.2	889,597	65.9	-14.0
Health products	241,820	18.7	144,669	10.7	67.2
Beauty products	132,957	10.3	110,451	8.2	20.4
Personal care products for babies	87,512	6.8	126,166	9.4	-30.6
Others	62,297	4.8	65,941	4.9	-5.5
Provision of services	3,645	0.2	11,576	0.9	-68.5
Total	1,292,895	100.0	1,348,400	100.0	-4.1

Revenue by business model in absolute amount and as a percentage of total revenue

	Year ended 31 December				year-on-year change (%)
	2025		2024		
	RMB'000	%	RMB'000	%	
Sales of goods					
B2B	656,100	50.8	649,007	48.1	1.1
General trade	415,895	32.2	478,701	35.5	-13.1
Cross-border e-commerce	240,205	18.6	170,306	12.6	41.0
B2C	633,150	49.0	687,817	51.0	-7.9
General trade	450,848	34.9	421,557	31.3	6.9
Cross-border e-commerce	182,302	14.1	266,260	19.7	-31.5
Provision of services	3,645	0.2	11,576	0.9	-68.5
Total	1,292,895	100.0	1,348,400	100.0	-4.1

Sales revenue from personal care products for adults decreased by 14.0% as compared to the same period of last year, mainly due to (i) the termination of strategic cooperation between the Group and one personal care brand, with the brand's sales revenue being approximately twenty percent of that for the same period of last year, leading to a 31.5% year-on-year decline in cross-border B2C business revenue; and (ii) the Group's deepened collaboration with core strategic partners, expanding sales categories and channels, with related revenue increasing by 10.6% as compared to the same period of last year.

Sales revenue from health products increased by 67.2% as compared to the same period of last year. This substantial growth was mainly attributable to (i) a revenue contribution of RMB21.7 million from Vanpearl, the Group's proprietary brand; (ii) incremental revenue of RMB81.6 million from newly introduced health brands; and (iii) the Group's continued deep cultivation of the health sector in optimizing the product portfolio, resulting in surging sales of certain key promoted products and a notable increase in B2B channel revenue.

Sales revenue from beauty products increased by 20.4% as compared to the same period of last year. This growth was mainly due to (i) the Group's proactive expansion of sales channels for beauty brands, with significant increases in sales volume recorded in B2B business and B2C Douyin channels, resulting in the sales revenue of one brand increasing by 65.6% as compared to the same period of last year; and (ii) the Group's strategic review of the beauty brand portfolio, terminating collaborations with certain brands to optimize resource allocation and enhance overall profitability.

Sales revenue from personal care products for babies decreased by 30.6% as compared to the same period of last year. This decrease was mainly due to the continued decline in the birth rate, leading to weakened market demand of personal care products for babies. Coupled with intensified competition in the market for baby and maternal products, the brand owner reduced the resources invested in product and brand development.

The revenue from the provision of services decreased significantly by 68.5% as compared to the same period of last year. This decrease was mainly due to the Group's discontinuation of certain e-commerce operation services that lacked business growth potential, in order to optimize the business structure and enhance overall operational efficiency.

Gross Profit and Gross Profit Margin

The Group's overall gross profit margin in 2025 was 33.7%, representing an increase of 3.7 percentage points from 30.0% in the same period of last year, mainly due to: (i) deepened brand cooperation and channel optimization, where the Group enhanced synergies with core brand partners, optimized transaction terms and cooperation models for key products, while driving the gross profit in emerging channels such as Douyin from losses to profits, resulting in significant improvement in overall profitability; (ii) continuous product mix upgrades, where the Group persistently optimized the product portfolio and increased the sales proportion of high-margin health products, thereby elevating the overall gross profit margin; and (iii) restructured channel profit structures, where the Group implemented refined operational strategies for personal care and beauty brands, effectively enhancing the gross profit margin levels of related channels.

Gross profit and gross profit margin by product categories

	Year ended 31 December				Change in gross profit margin (%)
	2025		2024		
	RMB'000	%	RMB'000	%	
Sales of goods					
Personal care products for adults	234,443	30.7	229,223	25.8	4.9
Health products	91,800	38.0	49,624	34.3	3.7
Beauty products	39,635	29.8	39,781	36.0	-6.2
Personal care products for babies	33,837	38.7	45,527	36.1	2.6
Others	32,397	52.0	31,556	47.9	4.1
Provision of services	2,993	82.1	8,984	77.6	4.5
Total	435,105	33.7	404,695	30.0	3.7

Gross profit and gross profit margin by business model

	Year ended 31 December				Change in gross profit margin (%)
	2025		2024		
	RMB'000	%	RMB'000	%	
Sales of goods					
B2B	81,580	12.4	97,048	15.0	-2.6
General trade	49,621	11.9	62,626	13.1	-1.2
Cross-border e-commerce	31,959	13.3	34,422	20.2	-6.9
B2C	350,532	55.4	298,663	43.4	12.0
General trade	234,013	51.9	153,847	36.5	15.4
Cross-border e-commerce	116,519	63.9	144,816	54.4	9.5
Provision of services	2,993	82.1	8,984	77.6	4.5
Total	435,105	33.7	404,695	30.0	3.7

The gross profit margin of personal care products for adults increased by 4.9 percentage points as compared to the same period of last year, mainly attributable to (i) the Group's in-depth cooperation with brand partners in product development and content promotion, coupled with optimized transaction terms, which had a positive impact on the gross profit margin; and (ii) continuous optimization of channel operational efficiency through refined operations and differentiated marketing strategies, with the gross profit margin of B2C channels increasing by 13.7 percentage points as compared to the same period of last year.

The gross profit margin of health products increased by 3.7 percentage points as compared to the same period of last year, mainly due to (i) newly introduced health brands and the Group's proprietary brands with higher gross profit, driving the overall gross profit margin upwards; and (ii) within the cross-border health product category, the supply of certain high-margin products had experienced stockouts for the same period of last year, but the supply was sufficient this year, and the Group promptly adjusted its operational strategies and product mix to improve operational efficiency, thereby achieving an increase in overall gross profit margin.

The gross profit margin of beauty products decreased by 6.2 percentage points as compared to the same period of last year, mainly due to an increase in sales proportion of B2B channels. The change in channel structure pulled down the overall gross profit margin, but the growth in sales volume drove a year-on-year increase in overall profits.

The gross profit margin of personal care products for babies increased by 2.6 percentage points as compared to the same period of last year, mainly due to the Group's adjustment of the sales strategy for one key brand, which involved reducing live-streaming marketing investments in the B2C channel and lowering the frequency of low-price promotional activities, effectively stabilizing the product's gross profit margin, thereby driving an increase in overall gross profit margin.

OPERATING PROFIT AND EARNINGS PER SHARE

The Group recorded an operating profit of RMB22.5 million in 2025 (2024: RMB27.8 million), representing a decrease of RMB5.3 million as compared with the same period of last year. The change in operating profit was primarily attributable to the following factors: (i) brand cooperation and business structure optimization. The Group strengthened strategic cooperation with core brands. By adopting a dual strategy of “brand exclusivity rights” and “omni-channel strong sales”, the Group enhanced brand operational efficiency on the one hand, and optimized brand cooperation portfolio by phasing out low-efficiency brands on the other hand, with a focus on deepening the health business segment, effectively improving overall operating profitability; (ii) the Group further advanced refined management and digital transformation. Through the empowerment of AI technologies and the integration of automated business processes, the Group continued to enhance organizational operational efficiency and effectively controlled labor costs. In 2025, labor costs decreased by 27.3% year-on-year, representing a significant improvement in per capita efficiency; and (iii) based on the principle of prudence, the provision for impairment losses on assets increased by RMB6.1 million as compared to the same period of last year.

In 2025, the earnings per share of the Company was RMB0.15, compared with the earnings per share of RMB0.23 in 2024.

LIQUIDITY AND FINANCIAL RESOURCES

In 2025, the Group mainly used cash generated from operations and bank borrowings to meet its cash demand. As at 31 December 2025, cash and cash equivalents were RMB306.4 million, representing a decrease of RMB132.2 million year-on-year (as at 31 December 2024: cash and cash equivalents of RMB438.6 million). Cash and cash equivalents include monetary funds, bank deposits and other short-term highly liquid investments with original maturities of up to three months. Most of the Group’s cash and cash equivalents are presented in Renminbi, US Dollar and Japanese Yen.

The summary of the Group’s cash flows in 2025 and 2024 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(93,801)	172,188
Net cash generated from/(used in) investing activities	14,836	(78)
Net cash used in financing activities	(53,717)	(71,364)
Net (decrease)/increase in cash and cash equivalents	(132,682)	100,746
Cash and cash equivalents at beginning of year	438,576	338,397
Effect on exchange rate difference	516	(567)
Cash and cash equivalents at end of year	306,410	438,576

Net cash used in operating activities was RMB93.8 million, turning from positive to negative, representing a significant year-on-year decrease. The increase in operating cash outflow was mainly due to (i) increased inventory-related cash outflow resulting from the expansion of new brand operations, which were incurred to stock up on inventory for these new brands and represented strategic investments to support future revenue growth; and (ii) a temporary slowdown in the recovery of advance promotion expenses during the year, as changes in the brand partners' write-off process extended the settlement cycle of advance payments. Such receivables have low credit risk and will be recovered gradually as the process is straightened out, with no material impact on the long-term profitability of the Group.

Net cash generated from investing activities was RMB14.8 million. Among which, the cash inflow was mainly attributable to (i) recipient of joint venture dividends totalling RMB15.6 million; and (ii) cash paid for the purchase of intangible assets and fixed assets of RMB0.8 million.

Net cash used in financing activities was RMB53.7 million. The cash outflow was mainly due to the payment of dividends to shareholders, amounting to RMB75.6 million; meanwhile, RMB21.9 million was raised through new borrowings as a working capital reserve for operations following the completion of the merger and acquisition business.

CAPITAL STRUCTURE

As at 31 December 2025, the gearing ratio of the Group was -10.1% (31 December 2024: -32.5%), which was calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including interest-bearing borrowings and lease liabilities) less cash and cash equivalents and liquid investments which are financial assets at fair value through profit or loss. The Group maintains a relatively low gearing ratio with a low level of total borrowings, while maintaining a relatively sufficient cash on hand.

BANK AND OTHER BORROWINGS, CHARGES ON ASSETS

The Group adopted proactive financing policies. As at 31 December 2025, the Group's total borrowings were RMB232.9 million, with a year-on-year increase of RMB32.5 million (31 December 2024: total borrowings of RMB200.4 million). The borrowings mainly consist of bank borrowings, of which borrowings of an equivalent of RMB189.7 million were guaranteed by the Company and its subsidiaries. As at 31 December 2025, the Group's borrowings were primarily at fixed interest rates.

As at 31 December 2025, the Group had unutilised banking facilities of RMB143.2 million.

As at 31 December 2025, the Group had no charges or pledges over its assets.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

In 2025, the capital expenditure of the Group was RMB0.8 million (2024: RMB0.1 million). As at 31 December 2025, the Group had no material capital commitment.



MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS OF MAJOR INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group did not have any future plans for major investments and capital assets.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments in any other companies' equity interest in 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for the acquisition disclosed in the section headed "Subsequent Event" in this report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during 2025 and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 192 employees, most of whom were resident in China, including Shanghai, Hangzhou and Beijing, and others were resident in Japan. For the year ended 31 December 2025, the Group's total staff costs (including Director emoluments) amounted to RMB68.1 million (2024: RMB93.6 million). The remuneration offered by the Group is determined with reference to the market conditions and the performance, qualifications and experience of employees. Based on the performance of the Group and employees, the Group offers competitive remuneration packages to retain employees, including salaries, discretionary bonuses and benefit plans. In addition to on-the-job training, we also adopt a training policy to provide employees with various internal and external training. During the year ended 31 December 2025, the relationship between the Group and its employees was stable. We were not subject to any strikes or other labor disputes that had a significant impact on the business activities.

FOREIGN EXCHANGE RISK

In 2025, the Group mainly operated its businesses in Chinese mainland, with most transactions settled in Renminbi. Foreign exchange risk means the risk of loss arising out of changes in foreign exchange rates. Fluctuations in exchange rates between Renminbi and other currencies used for the Group's business operations may have an impact on the financial position and results of operations. The foreign exchange risk to which the Group is exposed mainly arises from the changes in the exchange rates of US Dollar and Japanese Yen against Renminbi.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include trade receivables, amounts due from related parties, rebate receivables, deposits, refunds receivable, unwithdrawn balance on platform and others.

(a) Trade Receivables

As at 31 December 2025, the Group's trade receivables amounted to RMB135.9 million, representing a decrease of RMB33.3 million from RMB169.2 million as at 31 December 2024, which was primarily attributable to the Group's enhanced collection efforts during the year, whereby certain overdue amounts were recovered before the year end, coupled with a decrease in annual trade volume.

As at 31 December 2025, the provision for impairment of trade receivables amounted to RMB52.3 million, representing an increase of RMB10.1 million from RMB42.2 million as at 31 December 2024, which was primarily attributable to an increase in the provision for impairment in respect of Shanghai Xuyi Industry Co., Ltd. (上海旭一實業有限公司, "Shanghai Xuyi"). Based on Shanghai Xuyi's latest repayment plan and bad debt risk assessment, the provision for impairment of Shanghai Xuyi was increased.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, utilising a lifetime expected loss allowance for all trade receivables.

For the trade receivables, the Group adopts a provision matrix for portfolio assessment. The expected loss rates are derived from the payment profiles of sales, with corresponding historical loss rates adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and CPI of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Forward-looking adjustments are set by ageing bucket as follows:

Ageing	Forward-looking adjustment factor
0–90 days	+0.14%
91–180 days	+0.28%
181–360 days	+0.56%
Over 360 days	+0.56%

Additionally, the Group performs the detail expected credit loss (“ECL”) assessment on individual debtor assessment when significant credit risk is identified due to financial distress. In 2025, the Group assessed trade receivables from Shanghai Xuyi and Hefei Suxiansheng Supermarket Purchasing Co., Ltd. (合肥蘇鮮生超市採購有限公司, “Hefei Suxiansheng”) on an individual basis, as detailed below:

(i) Trade receivables from Hefei Suxiansheng:

The receivables amounted to RMB1.7 million, due to ageing exceeding 1,096 days and public information indicating that the company is subject to multiple court rulings and has no enforceable assets, its credit was determined to have deteriorated significantly, and a 100% expected credit loss rate was applied, the expected credit loss provisions recognised in respect of these receivables amounted to RMB1.7 million;

(ii) Trade receivables from Shanghai Xuyi:

As at 31 December 2025, the Group had a historically incurred receivable from a related party, Shanghai Xuyi (an associate of the Company), with a balance of RMB53.6 million (31 December 2024: RMB61.2 million), representing 39.9% of the total trade receivables. This amount was predominantly generated from business transactions during 2021 and 2022. Total expected credit loss provisions recognised in respect of these receivables amounted to RMB46.8 million (31 December 2024: RMB37.3 million).

For the trade receivables from Shanghai Xuyi, the related provision for impairment increased by RMB9.5 million, with key assumptions as follows:

- Probability of default: the Group references the forward-looking adjusted cumulative default probability of the lowest credit rating (DS5, equivalent to Moody’s C rating) under the Bloomberg DRSK model. This rating reflects a high credit risk profile, and its cumulative default probability is matched with the expected remaining life of the receivables.
- Loss given default: based on the principle of prudence and the credit-impaired status of the receivables, a 100% loss given default is adopted.
- Forward-looking information: the Group has incorporated the above-mentioned forward-looking adjustment factors quantified by ageing bucket to reflect the impact of macroeconomic conditions on credit risk.

Upon assessment, in 2025, there was no significant increase in credit risk of Shanghai Xuyi compared to the year of 2024, and Shanghai Xuyi had duly performed all its bank loan obligations with no overdue repayments or defaults recorded. As at 31 December 2025, the total assets amounted to RMB107.6 million, including trade receivables of RMB37.7 million and inventories of RMB27.3 million; net current liabilities were RMB138.0 million, and net assets were negative RMB30.4 million. For the year ended 31 December 2025, Shanghai Xuyi recorded a net profit of RMB0.8 million, with operating cash flows in a net inflow position. The company is actively maintaining stable operations and is systematically settling its liabilities, including trade payables. The Group did not hold any collateral or pledge over Shanghai Xuyi. The Group continues to strengthen credit monitoring and regularly assess its credit status. According to the repayment undertaking signed by Shanghai Xuyi in 2026, it is expected that part of the amounts will be recovered in batches during the year of 2026. The Group will continue to follow up on the repayment progress and assess whether further adjustments to the impairment provision are required based on actual recovery status. In 2026, Shanghai Xuyi entered into a contract undertaking a repayment plan of RMB5.0 million (scheduled as: RMB1.0 million in June 2026; RMB2.0 million in October 2026; and RMB2.0 million in December 2026). The measures taken and proposed to be taken by the Group in respect of Shanghai Xuyi are to maintain communication with Shanghai Xuyi, strengthen monitoring and regularly assess Shanghai Xuyi’s credit status.

As at 31 December 2025, the Group provided a financial guarantee for a bank loan of Shanghai Xuyi, which is a financial instrument within the scope of IFRS 9.

The Group adopts the general approach for impairment assessment of the financial guarantee, with key assumptions as follows:

- Probability of default: based on Shanghai Xuyi's historical track record of timely loan repayments and loan renewal arrangements, its credit risk is considered lower than that of trade receivables. The Group references its bank loan repayment performance and does not adopt the high default probability assumption of the Bloomberg DS5 rating.
- Loss given default: assumes the proportion of loss that the Group would incur if the financial guarantee were triggered. A prudent assessment is adopted based on the nature of the guarantee and historical experience.

The Group has recognised an impairment provision of RMB9.1 million for this financial guarantee as at 31 December 2025.

The Group continues to strictly enforce credit monitoring and collection procedures. As at 31 December 2025, the overall turnover days of trade receivables remained at a healthy level of 29.3 days (31 December 2024: 38.1 days).

The subsequent settlement of the trade receivables as at 31 December 2025 up to the date of the annual report is as follows:

(RMB'000)	Gross carrying amount as at 31 December 2025	Loss allowance provision as at 31 December 2025	Subsequent settlement
Collectively assessed			
Up to 3 months	76,139	(1,037)	51,364
3 to 6 months	1,910	(210)	536
6 months to 1 year	–	–	–
Over 1 year	2,512	(2,512)	–
Individually assessed	55,344	(48,509)	–
Total	135,905	(52,268)	51,900

(b) Other Receivables

As at 31 December 2025, other receivables amounted to RMB117.5 million, representing an increase of RMB6.7 million from RMB110.8 million as at 31 December 2024, which was primarily attributable to an increase in rebate receivables arising from new suppliers in 2025.

As at 31 December 2025, the provision for impairment of other receivables amounted to RMB2.0 million, representing a decrease of RMB1.9 million from RMB3.9 million as at 31 December 2024. This decrease was primarily attributable to an increase in the proportion of supplier rebates within other receivables, which have a good historical recovery record and lower bad debt risk, leading to a relative decrease in the overall impairment provision.

The Group adopts the general approach under IFRS 9 for impairment assessment of other receivables. The Group considers the probability of default and whether there has been a significant increase in credit risk. The Group accounts for its credit risk by providing for expected credit losses in a timely manner. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data. The Group uses three categories for other receivables which reflect their credit risk and how the expected credit loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follow:

- Stage one: Credit risk has not increased significantly, measured based on 12-month expected credit losses
- Stage two: Credit risk has increased significantly but no credit impairment has occurred, measured based on lifetime expected credit losses
- Stage three: Credit impairment has occurred, measured based on lifetime expected credit losses

(i) Probability of default assumptions

Category	Stage	Probability of default assumption	Data source
Deposits, platform balances, supplier rebates, prepaid advertising fees	Stage one	Weighted average of historical default rates for B2B trade receivables with ageing of 0–90 days	Group's historical default data
Deposits (with significant increase in credit risk)	Stage two	Average default rate for trade receivables with ageing of 90–180 days and 181–360 days	Group's historical default data
Non-deposits (with significant increase in credit risk)	Stage two	Default rate for trade receivables with ageing of 181–360 days	Group's historical default data
Third-party and employee loans	Stage one	1.70%	Non-performing loan ratio of major commercial banks in the PRC

(ii) Loss given default assumptions

Category	Stage	Loss given default assumption	Basis
Stage one other receivables	Stage one	61.70%	Reference to Moody's default loss rate for all unsecured bonds; rebates are partially indirectly secured as they relate to amounts payable to suppliers
Stage two other receivables	Stage two	100%	High uncertainty of recovery due to significant increase in credit risk
Stage three other receivables	Stage three	100%	Credit impairment has occurred, full provision made on a prudent basis
Third-party and employee loans	Stage one	100%	Full loss rate adopted on a prudent basis even at Stage one

(iii) Forward-looking information adjustments (quantified factors)

The Group incorporates point-in-time probability of default adjustments reflecting current macroeconomic conditions into its expected credit loss model. The forward-looking adjustment factors are set by ageing bucket as follows:

- 0–90 days: +0.14%
- 91–180 days: +0.28%
- 181–360 days: +0.56%
- Over 360 days: +0.56%

The above adjustment factors are based on the current credit cycle conditions, used to adjust historical default rates to reflect the potential impact of the macroeconomy on debtors' repayment capabilities, and applied to extrapolate lifetime expected credit losses.

Based on the following quantitative factors, the management considers that the impairment provision for other receivables of RMB2.0 million as at 31 December 2025 was sufficient to cover the major of related risks: (i) the proportion of supplier rebates had increased, and such amounts were subject to a 61.70% loss given default, with a stable historical recovery rate; (ii) stage two and stage three amounts had been provided for using a 100% loss given default; and (iii) forward-looking adjustments had incorporated macroeconomic factors, reflecting the current credit environment.

The subsequent settlement of the other receivables as at 31 December 2025 up to the date of the annual report is as follows:

(RMB'000)	Stage one	Stage two	Stage three	Total
As at 31 December 2025				
Gross carrying amount	115,479	1,718	274	117,471
Loss allowance provision	(1,396)	(350)	(274)	(2,020)
Subsequent settlement	94,109	1,004	–	95,113

For long-outstanding amounts (primarily relating to deposits and unwithdrawn balance on platform), the Group has regularly reconciled and assessed their recoverability, and considers that there is no significant recovery risk. The Group will continue to strengthen risk monitoring and take follow-up measures as appropriate.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities.

SUBSEQUENT EVENT

On 15 December 2025, UNQ Japan Co., Ltd.* (UNQジャパン株式会社) (the “**Purchaser**”, a company incorporated in Japan and wholly-owned subsidiary of the Company) entered into a share purchase agreement (the “**SPA**”) with Mr. Uchihara Shigeki (the “**Vendor A**”, a businessman based in Japan) and Harmony Ltd.* (有限会社ハ一モ二一) (the “**Vendor B**”, a company incorporated in Japan with limited liability, the principal business of which is investment holding and is wholly-owned by Ms. Yuki Ono, the daughter of Vendor A) (Vendor A and Vendor B collectively referred to as the “**Vendors**”), pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 2,701 shares in the One Two Co., Ltd.* (株式会社ワン・ツー) (the “**Target Company**”, a company incorporated in Japan with limited liability), representing approximately 90% of the issued shares of the Target Company, at an aggregate consideration of JPY2,701,000,000 (equivalent to approximately HK\$135,050,000). The Target Company owns, and is principally engaged in the operation of, Akahige Pharmacy, a leading consultation pharmacy chain in Japan which specialised in sexual health and wellness.

Completion is conditional upon the satisfaction (or waiver) of the following conditions: (i) the representations and warranties of the Purchaser being true and accurate in all respects on each of the date of the SPA and the completion date; (ii) the representations and warranties of the Vendors being true and accurate in all respects on each of the date of the SPA and the completion date; (iii) the Purchaser taking all necessary steps to give effect to the acquisition pursuant to applicable law, the Listing Rules, the SPA and internal requirements; (iv) the Vendors taking all necessary steps to give effect to the acquisition pursuant to applicable law, the SPA and internal requirements; (v) the Vendors obtaining resignation notices from certain directors of the Target Company and its group companies and procuring the Target Company and its group companies to complete payment of retirement allowances to such directors; (vi) the Vendors complying with the pre-completion restrictions under the SPA; (vii) the Vendors providing payment details on certain advertisement arrangement undertaken by the Target Company prior to completion; (viii) the Purchaser having arranged for necessary funds to satisfy the consideration; and (ix) no material adverse change having occurred to the Target Company, particularly in respect of its operations, assets, liabilities, financial conditions, operational results or future prospects.

The conditions have been satisfied and the acquisition of the Target Company was completed on 5 January 2026. The Target Company has become an indirect non-wholly owned subsidiary of the Company, and the financial results of the Target Company have been consolidated into the Group’s financial statements since then.

The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements of the Company dated 15 December 2025 and 5 January 2026.

In the announcement of the Company dated 15 December 2025, for illustration purposes only and unless otherwise stated, amounts denominated in JPY have been translated into HK\$ using the exchange rate of JPY1.00 = HK\$0.050. Such translations shall not be construed as a representation that any amount in JPY can be or could have been converted into HK\$ at the above rate or at all.

* For identification purposes only



MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Based on the current macro environment of moderate recovery in the consumer market and highlighted structural opportunities, the Group will implement the following measures with diligence in its operation in 2026:

1. increase strategic investment in the health sector, actively introduce external high-quality brands, focus on cultivating our proprietary brand matrix, steadily promote asset mergers and acquisitions and business integration of overseas pharmacies, and achieve resources synergy and release of growth momentum;
2. focus on existing core businesses, optimize processes, innovate products and services, strengthen digital empowerment, iterate product matrix, enhance brand competitiveness and user stickiness, and drive high-quality growth of existing businesses through innovation; and
3. strengthen inventory, cash and asset turnover management, optimize supply chain and channel efficiency, strictly control costs, improve cash flow coordination and risk control, ensure safe and stable cash flow, and support sustainable development with efficient operation.

We will focus our efforts and work hard, seize the opportunities of industry transformation with strategic determination, and strive to achieve high-quality and sustainable development.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

EXECUTIVE DIRECTORS

Mr. WANG Yong (王勇, “**Mr. WANG**”), aged 54, was appointed as a Director in October 2019 and, re-designated as an executive Director and was appointed as the chairman of the Board and chief executive officer of the Company in June 2020. Mr. WANG currently also serves many positions within the Group, primarily including the chairman and the general manager of UNQ (Shanghai) Supply Chain Management Co., Ltd. (優趣匯(上海)供應鏈管理有限公司) (“**UNQ Supply Chain**”), a director of UNQ Japan Co., Ltd. (UNQジャパン 株式會社) (“**UNQ Japan**”), Shanghai Fuli Culture Media Co., Ltd. (上海芙立文化傳媒有限公司) (“**Shanghai Fuli**”) and Hangzhou Spot E-commerce Co., Ltd. (杭州思珀特電子商務有限公司) (“**Hangzhou SPT**”), and a director and the chairman of the board of NEWBORN BIOTECHNOLOGY LTD. (“**NEWBORN**”). Mr. WANG has over 22 years of experience in corporate management, Chinese e-commerce industry and Japanese cross-border trade. Mr. WANG is the founder of the Group by establishing Shanghai UNQ Business Consulting Co., Ltd. (上海普卉商務諮詢有限公司) (“**UNQ Business Consulting**”) in August 2010 and UNQ Supply Chain in October 2014, and his working experience within the Group primarily includes: serving as a director and the general manager of UNQ Business Consulting from July 2010 to December 2014, serving as an executive director of Hangzhou SPT since November 2014, consecutively serving as the director, chairman and the general manager of UNQ Supply Chain since December 2014, serving as a director of Shanghai Fuli since November 2016, serving as a director of UNQ Hong Kong Limited (優趣匯香港有限公司) (“**UNQ HK**”) from August 2015 to December 2024, serving as a director of UNQ Japan since July 2017 and serving as a director and the chairman of the board of NEWBORN since May 2025. Prior to establishing the Group, Mr. WANG’s previous working experience primarily includes: serving in Beijing Itochu-Huatang Comprehensive Processing Co., Ltd. (北京伊藤忠華糖綜合加工有限公司) from January 2001 to June 2010 with his last position as the head of residential division.

Mr. WANG obtained a bachelor’s degree in Japanese language from Guangdong University of Foreign Studies (廣東外語外貿大學) in Guangdong Province, the PRC in June 1995, a master’s degree in business administration from University of Minnesota (明尼蘇達大學) in Minnesota, the United States in July 2005.

Mr. SHEN Yu (沈宇, “**Mr. SHEN**”), aged 53, was appointed as a Director in June 2020 and re-designated as an executive Director, and was appointed as the chief financial officer, and vice president of the Company in June 2020. Mr. SHEN was also appointed as one of the joint company secretaries with effect from June 28, 2021. Mr. SHEN currently also serves as the deputy general manager and chief financial officer of UNQ Supply Chain, the general manager of Shanghai Spot E-Commerce Co., Ltd. (上海思珀特電子商務有限公司) (“**Shanghai SPT**”), a director of UNQ HK and NEWBORN. Mr. SHEN has over 17 years of experience in finance, marketing and corporate management. Mr. SHEN joined the Group in September 2016, and his working experience within the Group primarily includes: serving as the director of the financial department and the director of the personnel and administration department of UNQ Supply Chain from September 2016 to December 2017, serving as the deputy general manager and chief financial officer of UNQ Supply Chain since January 2018, serving as a director of UNQ HK since November 2018, serving as the general manager of Shanghai SPT since June 2019 and serving as a director of NEWBORN since May 2025. Prior to joining the Group, Mr. SHEN’s previous working experience primarily includes: consecutively serving as the manager of the financial department and the head of the business management department of KOSÉ Cosmetics Co., Ltd. (高絲化妝品有限公司) (currently known as Kolmar Cosmetics (Hangzhou) Co., Ltd. (科歐瑪化妝品(杭州)有限公司)) from September 1995 to February 2004, and serving as the head of the administrative department and director of the business department of KOSÉ Cosmetics Sales (China) Co., Ltd. (高絲化妝品銷售(中國)有限公司) from March 2004 to August 2016.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. SHEN obtained an associate diploma in financial accounting from Hangzhou Institute of Electronics Engineering (杭州電子工業學院) (currently known as Hangzhou Dianzi University (杭州電子科技大學)) in Zhejiang Province, the PRC, in July 1995 and an undergraduate diploma (correspondence program) in economic management from the Correspondence Institute of the C.P.C. Central Committee School (中共中央黨校函授學院) in Beijing, the PRC, in December 2004. Mr. SHEN obtained the qualification of medium-level accountant in May 2002 conferred by MOF. Mr. SHEN was recognised as “Outstanding Individual of Serving and Dedicating EXPO of Luwan District” (盧灣區服務世博、奉獻世博優秀個人) by the C.P.C. Shanghai Luwan District Committee (中共盧灣區委) and the People’s Government of Shanghai Luwan District (盧灣區人民政府) in October 2010. Mr. SHEN was also recognised as “Excellent Competition Organiser” (優秀組織者) in a Shanghai Huangpu District competition called “Working Together to Ensure Growth, Keeping Harmony to Improve Development” (上海市黃浦區攜手保增長、和諧促發展立功競賽) and “Pioneer Worker” (工人先鋒號) by the Federation of Trade Union of Shanghai Huangpu District (上海市黃浦區總工會), the Federation of Industry and Commerce of Shanghai Huangpu District (上海市黃浦區工商業聯合會), the C.P.C. Social Working Committee of Shanghai Huangpu District (中共上海黃浦區社會工作委員會) and the Shanghai Huangpu District Association of Foreign Investment (上海市黃浦區外商投資企業協會) in December 2013.

Ms. CHEN Weiwei (陳偉偉, “Ms. CHEN”), aged 42, was appointed as an executive Director in March 2024. Ms. CHEN has been appointed as general manager of operation center of the Company since September 2021. Ms. CHEN currently also serves as a director of UNQ Supply Chain. Ms. CHEN has over 12 years of experience in business operations and brand engagement. Ms. CHEN joined the Group in January 2011, and her working experience within the Group primarily includes: serving as the marketing head of the Hangzhou business operation department of UNQ Business Consulting from January 2011 to December 2014, marketing director of UNQ Supply Chain from December 2014 to January 2017, the general manager of the new media department of Shanghai Fuli from January 2017 to August 2019, general manager of the pharmaceutical and health department of UNQ Supply Chain from September 2019 to December 2020, general manager of brand center of UNQ Supply Chain from January 2021 to August 2021.

Ms. CHEN obtained an associate diploma in TV and network advertising design from the Shanghai Art & Design Academy (上海工藝美術職業學院) in Shanghai, the PRC in July 2006, and a master’s degree in business administration from Fudan University (復旦大學) in Shanghai, the PRC in July 2025.

NON-EXECUTIVE DIRECTOR

Mr. NAKAYAMA Kokkei (中山國慶, “**Mr. NAKAYAMA**”) (former name: XUE Guoqing (薛國慶)), aged 62, was appointed as a Director and re-designated as a non-executive Director in June 2020. Mr. NAKAYAMA currently also serves as the chairman of Transcosmos Information Creative (China) Co., Ltd. (大宇宙信息創造(中國)有限公司), an indirect subsidiary of TCI). Mr. NAKAYAMA has over 24 years of experience in corporate management. Prior to joining the Group in June 2020, Mr. NAKAYAMA’s previous working experience primarily includes: consecutively serving as senior executive officer (上席常務役員) and head of the China business division, executive officer (常務執行役員), general manager of overseas business (海外事業總括) and deputy head of the China business division of TCI since May 1998, and serving as a director of Beijing Tensyn Digital Marketing Technology Joint Stock Company (北京騰信創新網絡營銷技術股份有限公司) (a company listed on Shenzhen Stock Exchange under the stock code of 300392) from May 2015 to September 2022.

Mr. NAKAYAMA graduated from Shanghai Jiao Tong University (上海交通大學) with an undergraduate diploma in marine engineering in Shanghai, the PRC in July 1985 and he also obtained a master’s degree and a doctor’s degree in mechanical engineering from Nagoya University (名古屋大學) in Nagoya, Japan in March 1992 and March 1995, respectively. Mr. NAKAYAMA was awarded the Haihe Friendship Award (海河友誼獎) by the People’s Government of Tianjin Municipal (天津市人民政府) in 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. the Hon NG Kam Wah Webster (吳錦華, “**Dr. NG**”), aged 52, was appointed as an independent non-executive Director with effect from June 28, 2021. Dr. NG has been the founder and the sole proprietor of Webster Ng & Co. (吳錦華會計師事務所) since 2001, and is currently a Managing Director of AC CPA Limited (遠華會計師事務所有限公司). Dr. NG has over 31 years of experience in accounting and auditing. He is a fellow practising Certified Public Accountant, Chartered Tax Adviser in Hong Kong and Registered Six Sigma Champion, and is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong, the Institute of Chartered Accountants in England and Wales, the Society of Chinese Accountants & Auditors, and founding member of the Hong Kong Professionals and Senior Executives Association, and assumes various positions in associations involving finance and auditing. Dr. NG currently serves as a member of sixth-term Election Committee (Accountancy) of Hong Kong Special Administrative Region, a non-executive director of eMPF Platform Company Limited (積金易平台有限公司), a member of Lump Sum Grant Steering Committee (整筆撥款督導委員會), an appointed member and the Honorary Treasurer of Social Workers Registration Board (社會工作者註冊局), a member of the Competition Commission, the Vice Chairman of District Fight Crime Committee, Sai Kung (西貢區撲滅罪行委員會), the Honorary Chairman and Honorary Auditor of the North Kwai Chung District Scout Council, Scout Association of Hong Kong (香港童軍總會北葵涌區區務委員會), the Honorary Auditor of HK Connecting Hearts Limited (香港社福界心連心大行動有限公司), Past President and Council Member of the Society of Chinese Accountants & Auditors, and Past President and Advisor of the Taxation Institute of Hong Kong. He was the President of the Taxation Institute of Hong Kong and the President of the Society of Chinese Accountants & Auditors and a non-official member of Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption. He is currently a Justice of the Peace, a member of the Advisory Committee of the Accounting and Financial Reporting Council of Hong Kong and a member of the Securities and Futures Appeals Tribunal of Hong Kong. Dr. NG was elected as a member of the eighth Legislative Council of the Hong Kong Special Administrative Region (Accountancy functional constituency) in December 2025, with his term commencing on 1 January 2026.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. NG has been appointed as an independent non-executive director, the chairman of the audit committee, a member of the nomination committee, remuneration and appraisal committee and risk and compliance committee of China Resources Building Materials Technology Holdings Limited (華潤建材科技控股有限公司) (stock code: 1313), whose issued shares are listed on the Main Board of the Stock Exchange, with effect from June 2022.

Dr. NG obtained a diploma in accounting from the School of Professional and Continuing Education, The University of Hong Kong (香港大學專業進修學院) in 1997, and he also obtained a doctor's degree in business administration from The Hong Kong Polytechnic University (香港理工大學) in October 2025.

Mr. WEI Hang (魏航, "Mr. WEI"), aged 49, was appointed as an independent non-executive Director of the Company in June 2020 with effect from June 28, 2021. Mr. WEI currently serves as dean of the Graduate School, chair professor, and doctoral supervisor of the College of Business, Shanghai University of Finance and Economics (上海財經大學商學院). Prior to joining the Group in June 2020, Mr. WEI's previous working experience mainly includes: serving as a visiting scholar of The Chinese University of Hong Kong (香港中文大學) from March 2005 to April 2005 and July 2008 to September 2008, consecutively serving as a lecturer, the vice executive president of the College of Business and deputy director of the Office of Academic Research, Shanghai University of Finance and Economics, currently serving as the Dean of the Graduate School while concurrently serving as chair professor and doctoral supervisor since July 2006. Mr. WEI has rich experience in e-commerce research, commercial science and internet platforms, and his major research area includes Internet and operation management, operation and finance, new products and new technology management and service operation management. He published many thesis on the topics of management of supply chain, distribution and platforms, B2C platforms and online retail business, which are closely related to the businesses of the Company.

Mr. WEI obtained a doctor's degree in management science from Southwest Jiaotong University (西南交通大學) in Sichuan Province, the PRC in June 2006.

Ms. XIN Honghua (辛洪華, "Ms. XIN") (alias: XIN Honghua (辛紅花)), aged 48, was appointed as an independent non-executive Director of the Company in June 2020 with effect from June 28, 2021. Ms. XIN currently also serves as the partner of Zhongshui Network (Beijing) Certified Public Accountants (Limited Liability Partnership) (中稅網(北京)會計師事務所(特殊普通合夥)). Prior to joining the Group in June 2020, Ms. XIN's previous working experience primarily includes: serving as the financial manager of Hangzhou JNBY Finery Co., Ltd. (杭州江南布衣服飾有限公司) from March 2003 to August 2006, serving as the financial manager of Hangzhou Whole set Throttling Device Co., Ltd. (杭州成套節流裝置有限公司) from October 2006 to October 2011, serving as the audit project manager of the Hangzhou branch of Jonten Certified Public Accountants Co., Ltd (中天運會計師事務所有限公司杭州分所) from November 2011 to November 2013, serving as the department manager of Zhejiang Zhongruiweisida Certified Public Accountants Co., Ltd (浙江中瑞唯斯達會計師事務所有限公司) from November 2013 to November 2016, and serving as the vice president of the Zhejiang branch of Jonten Certified Public Accountants (Limited Liability Partnership) (中天運會計師事務所(特殊普通合夥)浙江分所) from December 2016 to April 2025. Ms. XIN was a director of Yuhua Wisdom Financial Management Consulting Limited (玉華慧財稅管理諮詢有限公司).



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. XIN obtained an associate diploma in financial accounting (computerisation) from Zhejiang University (浙江大學) in Zhejiang Province, the PRC in June 2003 and a bachelor's degree in business administration management from China Central Radio & TV University (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)) in Beijing, PRC in January 2007. Ms. XIN has various qualifications in tax and auditing including: being certified as Certified Internal Auditor (國際註冊內部審計師) by China Institute of Internal Audit (中國內部審計協會) with the authorisation from the Institute of Internal Auditors (國際內部審計師協會) in November 2010, Registered Tax Agent by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in September 2011, Certified Public Accountant by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2014, Certified Public Valuer by the China Appraisal Society (中國資產評估協會) in January 2015, Senior Accountant (高級會計師) by Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in December 2016, Top Tax Talent (稅務師行業高端人才) by The China Certified Tax Agents Association (中國註冊稅務師協會) in December 2018, and qualification of Independent Director (獨立董事資格) by the Shanghai Stock Exchange in September 2018.

SENIOR MANAGEMENT

Ms. ZHU Mimi (朱咪咪, “Ms. ZHU”), aged 38, was appointed as a member of the executive management committee of the Group in 2024. Ms. ZHU has been the vice general manager of the operation center of the Company since January 2025. Ms. ZHU has over 11 years of experience in the operation of maternal and baby brands. Ms. ZHU joined the Group in April 2013 and has consecutively served as a commissioner, supervisor, manager and director of the business unit of maternal and baby brands and a senior advisor of the operation department I.

Ms. ZHU obtained a bachelor's degree in public relations from East China Normal University (華東師範大學) in Shanghai, the PRC in June 2011.



REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Group is a leading brand e-commerce retail and wholesale solutions provider in China, strategically focusing on Japanese-branded fast-moving consumer goods, or FMCG, consisting of, among others, personal care products for adults, health products, beauty products, personal care products for babies and others.

Details of the principal activities of the principal subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS

The Group's results for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 68 to page 69 of this annual report.

BUSINESS REVIEW

The business review and performance analysis of the Group for the Reporting Period are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate sales to the Group's five largest customers accounted for 41.4% of the Group's total revenue (2024: 43.1%), while the aggregate sales to the Group's largest single customer accounted for 30.2% of the Group's revenue (2024: 33.0%).

For the year ended 31 December 2025, the aggregate sales to the Group's five largest suppliers accounted for 74.1% of the Group's total cost of purchase (2024: 73.4%), while the aggregate sales to the Group's largest single supplier accounted for 24.7% of the Group's total cost of purchase (2024: 48.6%).

During the year ended 31 December 2025, none of the Directors, or any of their close associates, or any of the Shareholders (which to the best knowledge of the Directors own more than 5% of the issued Shares) had any interest in the Group's five largest customers or suppliers.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.25 per share for the year ended 31 December 2025. The final dividend is intended to be paid out of the share premium account of the Company. The final dividend is subject to approval by the Shareholders at the AGM to be held on 29 June 2026, and is expected to be paid on 17 July 2026 to the Shareholders whose names appear on the register of members of the Company on 8 July 2026. In accordance with the Company's dividend policy, and taking into account factors such as our results of operations, cash flows, financial position and future business prospects, the final dividend for 2025 is lower than that for 2024.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may distribute dividends to the Shareholders by way of cash or shares. Any future declarations and payments of dividends will be at the absolute discretion of the Directors after taking into account our results of operations, cash flows, financial position, cash dividends we receive from subsidiaries of the Company, future business prospects, statutory and regulatory restriction on payment of dividends by us, and other relevant factors. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all.

Under the Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this annual report, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in the Company being unable to pay our debts as they fall due in the ordinary course of business.

FINANCIAL SUMMARY

The results and summary of assets and liabilities of the Group during the last five financial years are set out on page 154 of this annual report. The summary shall not constitute a part of the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group for the year ended 31 December 2025 are set out in note 24 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. A variety of financial risk factors affecting the Group's activities are set out in note 3 to the consolidated financial statements.

USE OF PROCEEDS FROM LISTING

The Company was listed on the Main Board of the Stock Exchange on the Listing Date with total net proceeds from the listing of approximately HK\$320 million after deducting underwriting fees, commissions and estimated expenses. The proceeds from listing have been and are proposed to be applied in accordance with the plans as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

Reference is made to the announcement of the Company dated 23 December 2024 (the “**Announcement**”), after careful consideration and detailed evaluation of the Group’s operations and business strategies, the Board has resolved to change the intended use of the unutilised net proceeds with an updated expected timeline of full utilisation. For further details of “Reasons for and Benefits of the Change in Use of Proceeds”, please refer to the Announcement. The specific utilisation is as follows:

Item	Approximate percentage of total amount (%)	Revised allocation of net proceeds according to the Announcement (HK\$ million)	Unutilised amount as at 30 June 2025 (HK\$ million)	Utilised amount during the year ended 31 December 2025 (HK\$ million)	Utilised amount as at 31 December 2025 (HK\$ million)	Unutilised amount as at 31 December 2025 (HK\$ million)	Expected timeline for balance of net proceeds
For investing in social media marketing and advertising, growing proprietary brands, diversifying brand portfolios and strengthening supply chain management	54.3%	174	0	5	174	0	Not applicable
For diversifying our brand and product offerings for health products, in particular OTC drugs	15.7%	50	0	0	50	0	Not applicable
For enhancing our technology systems and data analytics capabilities	7.0%	22	1	3	22	0	Not applicable
For pursuing strategic investments in technology companies and O2O service providers	0.0%	0	0	0	0	0	Not applicable
For working capital and general corporate uses	10.0%	32	0	0	32	0	Not applicable
For acquisitions and pursuing strategic investments and cooperations with brands in health and beauty industry	13.0%	42	42	42	42	0	Not applicable
Total	100%	320	43	50	320	0	

During the year ended 31 December 2025, the Company utilised the remaining net proceeds in full in accordance with the intended purposes as stated in the Prospectus and the Announcement. As at 31 December 2025, the total net proceeds from the listing of the Company had been fully utilised.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out on note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 22 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Company or its subsidiaries during the year ended 31 December 2025, or subsisted at the end of the year.

RESERVES

Details of movements in the reserves of the Group for the year ended 31 December 2025 are set out in note 23 to the consolidated financial statements and the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution were nil (2024: nil).

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any). As at 31 December 2025, the Company did not hold any treasury Shares.

DONATIONS

During the year ended 31 December 2025, the Company made charitable contributions and other donations of RMB156,856 (2024: RMB279,708).

DIRECTORS

During the year and up to the date of this annual report, the Directors were as follows:

Executive Directors

Mr. WANG Yong (*Chairman and Chief Executive Officer*)

Mr. SHEN Yu

Ms. CHEN Weiwei

Non-executive Director

Mr. NAKAYAMA Kokkei

Independent Non-executive Directors

Dr. NG Kam Wah Webster

Mr. WEI Hang

Ms. XIN Honghua

In accordance with the Articles of Association, Mr. SHEN Yu, Mr. WEI Hang and Ms. XIN Honghua shall retire from office and have offered themselves for re-election at the AGM.

Details of the retiring Directors to be re-elected at the AGM are set out in the circular to be sent to the Shareholders in due course.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received confirmation of independence from each independent non-executive Director made in accordance with Rule 3.13 of the Listing Rules and the Company considers all independent non-executive Directors to be independent since the Listing Date to the date of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on page 23 to page 27 of this annual report.

DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Each of the executive Directors has entered into a service contract with the Company with a term of three years, effective from 12 July 2024 of the renewed terms for Mr. WANG Yong and Mr. SHEN Yu and from 28 March 2024 for Ms. CHEN Weiwei. The respective executive Directors or the Company may terminate the contract by a prior written notice of at least three months. The appointment of an executive Director shall be in accordance with the requirements on Directors' retirement by rotation under the Articles of Association and applicable Listing Rules.

The non-executive Director and each of the independent non-executive Directors have signed a letter of appointment with the Company with a term of three years commencing from the effective date of appointment, which has been renewed for a further three years upon initial expiration. In accordance with their respective letters of appointment, each of the independent non-executive Directors is entitled to receive a fixed amount of Director's emoluments while the non-executive Director is not entitled to receive any remuneration. Relevant appointments shall be in accordance with the requirements on Directors' retirement by rotation under the Articles of Association and applicable Listing Rules.

Save as disclosed above, none of the Directors has entered into any service contracts with any members of the Group, excluding the contracts expiring within a year or may be terminated by the employers without paying any compensation (legal compensations excluded).

REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 192 employees. We offer competitive compensation packages and systematic training programs and development programs across all levels, to attract and retain our key employees. We also aim to create an open communication atmosphere and a merit-based incentive mechanism for hard-working employees. We contribute to social insurance, including pension fund, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and housing provision funds for our employees.

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure of the Directors and senior management, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. The remuneration received by Directors and senior management include salaries, bonuses, allowances and benefits in kind and pension scheme contributions complied with the requirements under applicable laws, rules and regulations.

Details of the Directors' emoluments and five highest paid individuals for the year ended 31 December 2025 are set out in note 9 and note 33 respectively to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 9 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

Interests in the Shares:

Name of Director	Identity and nature of interests	Number of Shares held ⁽¹⁾	Approximate percentage of equity interest
Mr. WANG Yong ⁽²⁾	Interest in controlled corporation	64,392,700	38.82%
Ms. CHEN Weiwei ⁽³⁾	Interest in controlled corporation	350,000	0.21%

Notes:

- (1) All interests stated are long positions.
- (2) Wisdom Oasis Holdings Limited ("**Wisdom Oasis**"), which is wholly owned by Mr. WANG Yong, is interested in 64,392,700 Shares, and thus Mr. WANG Yong is deemed to be interested in 64,392,700 Shares.
- (3) Athena Land IV Holdings Limited, which is owned as to 39.33% by Ms. CHEN Weiwei, is interested in 350,000 Shares, and thus Ms. CHEN Weiwei is deemed to be interested in 350,000 Shares.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2025, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Identity and nature of interests	Number of Shares held⁽¹⁾	Approximate percentage of equity interest
Wisdom Oasis	Beneficial owner	64,392,700	38.82%
TCI	Beneficial owner	57,264,100	34.52%

Note:

(1) All interests stated are long positions.

Save as disclosed above, as at 31 December 2025, the Directors or chief executive of the Company were not aware of any persons (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register required to be kept by the Company under section 336 of the SFO.

2022 RSU SCHEME

The Company adopted the 2022 RSU Scheme with effect from 22 June 2022 (the “**Adoption Date**”). The following is a summary of the principal terms of the 2022 RSU Scheme:

Purposes

The purposes of the 2022 RSU Scheme are to recognise and reward Participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain with and further promote the success of the Group’s business.

Who May Join

The participants of the 2022 RSU Scheme shall be full-time employees (including Directors, members of the management team and other employees) of the Group.

Effectiveness and Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2022 RSU Scheme, the 2022 RSU Scheme shall be valid and effective for a period of 5 years commencing on the Adoption Date, after which no awards will be granted, but the provisions of the 2022 RSU Scheme shall in all other respects remain in full force and effect and the Awards granted during the term of the 2022 RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant. The remaining life of the 2022 RSU Scheme is 1 year and 2 months.

Maximum Number of Shares

The maximum number of underlying Shares in respect of which Awards may be granted under the 2022 RSU Scheme shall not exceed 5,475,525 Shares (excluding Awards that have lapsed or been cancelled in accordance with the rules of the 2022 RSU Scheme), which represents approximately 3.3% of the total issued Shares as at the date of this annual report. The maximum number of underlying Shares in respect of which Awards may be granted to a selected Participant under the 2022 RSU Scheme, at any time or in aggregate shall not exceed 1% of the total issued Shares as at the Adoption Date (excluding Awards that have lapsed or been cancelled in accordance with the rules of the 2022 RSU Scheme). The number of Awards available for grant at the beginning and at the end of the Reporting Period is 5,475,525 and 5,475,525, respectively.

The number of Shares that may be issued in respect of Awards granted under the 2022 RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury Shares) during the Reporting Period is nil as no Award was granted under the 2022 RSU Scheme during the Reporting Period. The total number of Shares available for issue under the 2022 RSU Scheme is nil as at the date of this annual report.

No Award shall be granted pursuant to the 2022 RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2022 RSU Scheme (excluding Awards that have lapsed or been cancelled in accordance with the rules of the 2022 RSU Scheme) will exceed 1,825,175 Shares, which represents approximately 1.1% of the total issued Shares as of the Adoption Date (the “**RSU Mandate Limit**”).

The RSU Mandate Limit may be refreshed from time to time subject to prior approval of the Shareholders, but in any event, the total number of Shares that may underlie the Awards granted following the date of approval of the refreshed limit (the “**New Approval Date**”) as refreshed from time to time must not exceed 1,825,175 Shares, representing approximately 1.1% of the total issued Shares as at the Adoption Date.

To the extent that the Company may, during the Relevant Period (as defined below), grant RSUs pursuant to the 2022 RSU Scheme which may be satisfied by the Company allotting and issuing new Shares upon the vesting of the RSUs, the Company shall at its general meeting propose for the Shareholders to consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (i) the maximum number of new Shares that may underlie RSUs granted pursuant to the 2022 RSU Scheme during the Relevant Period; and
- (ii) that the Board has the power to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of RSUs that are granted pursuant to the 2022 RSU Scheme during the Relevant Period as and when the RSUs vest.

The above mandate shall remain in effect during the period commencing from the date of the general meeting at which the ordinary resolution granting the mandate is passed until the earliest of (the “**Relevant Period**”):

- (a) the conclusion of the first annual general meeting of the Company following the passing of the above resolution;
- (b) the end of the period within which the Company is required by any applicable laws or by the memorandum and articles of association of the Company to hold the next annual general meeting of the Company; and
- (c) the date on which such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

Administration

The 2022 RSU Scheme shall be subject to the administration of the Administrator (the “**Administrator**”), being the Board or a committee comprising of certain members appointed by the Board from time to time, in accordance with the terms and conditions of the 2022 RSU Scheme. The Administrator may, from time to time, select the Participants to whom the awards may be granted.

The Administrator shall have the sole and absolute right to (a) interpret and construe the provisions of the 2022 RSU Scheme, (b) determine the persons who will be granted Awards under the 2022 RSU Scheme, the terms and conditions on which Awards are granted and when the RSUs granted pursuant to the 2022 RSU Scheme may vest, (c) make such appropriate and equitable adjustments to the terms of the Awards granted under the 2022 RSU Scheme as it deems necessary; and (d) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the foregoing (a), (b) and (c). All the decisions, determinations and interpretations made by the Administrator in accordance with the 2022 RSU Scheme shall be final, conclusive and binding on all parties.



REPORT OF THE DIRECTORS

The consideration (if any) payable by a selected Participant to the Trustee for acceptance of the Awards under the 2022 RSU Scheme shall be determined at the sole and absolute discretion of the Administrator.

No Award has been granted by the Company during the period from the Adoption Date to the date of this annual report pursuant to the 2022 RSU Scheme.

Vesting Period

Upon fulfillment or waiver (by the Administrator (as defined below) 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 relevant 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).

NON-COMPETITION UNDERTAKING

To minimise the potential conflict between TCI's operations in China and the Company's principal businesses, TCI executed a deed of undertaking in favor of the Company on 23 June 2021 (the "**Deed of Referral Undertaking**").

For details regarding the Deed of Referral Undertaking, see the section "RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS" in the Prospectus.

Based on the information and confirmation provided by TCI, the independent non-executive Directors have reviewed the implementation of the Deed of Referral Undertaking for the year ended 31 December 2025 and are satisfied that TCI has complied with the Deed of Referral Undertaking.

CONTINUING CONNECTED TRANSACTIONS

TCI is a controlling shareholder of the Company. Pursuant to Chapter 14A of the Listing Rules, TCI is the connected person of the Company. During the Reporting Period, details of the continuing connected transactions conducted between the Company and TCI are as follows:

Products Procurement Framework Agreement

The Company entered into a framework agreement (the "**Products Procurement Framework Agreement**") with TCI on 31 October 2022, pursuant to which, the Group agreed to purchase, and the TCI Group agreed to sell, certain products manufactured by various Japanese brand partners and introduced by TCI to the Company, including but not limited to personal care products for babies under the brand of Combi, and the OTC drugs and healthcare products under the brands of Nichiban, Taisho and Lion (the "**Products**"). The Products Procurement Framework Agreement would terminate on 31 December 2025 unless renewed otherwise. For further details of the continuing connected transactions, please refer to the announcement of the Company dated 31 October 2022 and the circular of the Company dated 15 December 2022.

On 31 October 2025, the Company and TCI agreed to renew the Products Procurement Framework Agreement by entering into the 2026 Products Procurement Framework Agreement, pursuant to which, the Group agrees to purchase, and the TCI Group agrees to sell, certain products manufactured by various Japanese brand partners and introduced by TCI Group to the Company, including but not limited to the OTC drugs and healthcare products under the brands of Nichiban, Ohta's Isan, Taisho, Santen, Daiichi Sankyo, LOXONIN, Senju and Zeria, for a period of three years from 1 January 2026 to 31 December 2028, unless otherwise terminated in accordance with the terms of the 2026 Products Procurement Framework Agreement. The annual caps of the transaction amounts for the three years ending 31 December 2026, 2027 and 2028 shall not exceed RMB200 million, RMB250 million and RMB300 million, respectively. For further details of the renewal of the continuing connected transactions, please refer to the announcement of the Company dated 31 October 2025 and the circular of the Company dated 27 November 2025.

Reasons for the Transactions

In connection with the Company's procurement of the Products from TCI, (i) the purchase of the Products manufactured by new brand partners developed and introduced by the TCI Group to the Company will strengthen the ability to continue broadening and diversifying the brand portfolio and expand the Products offering beyond beauty and personal care categories, which will be of help to keep the Company competitive in the market; (ii) TCI, as a company listed on the Tokyo Stock Exchange, is a reputable market player in Japan. Through such procurement arrangement, the Company is able to leverage the TCI Group's network in Japan to get access to a wide range of Japanese brand partners, particularly those offering branded OTC drugs; (iii) after years of cooperation with the Company, the TCI Group has developed an adequate understanding of the brand portfolio, capital structure and business operations of the Company, which facilitates the introduction of appropriate brand partners by the TCI Group to the Company; and (iv) as the Company is not able to procure Combi branded mother and infant products, Nichiban, Taisho and Lion branded OTC drugs from brand partners directly, TCI's relationship with those brand partners helps the Company get access to the products of those brands.

The procurement prices have been determined after arm's length negotiation between the parties with reference to TCI's costs of purchasing relevant products. In terms of similar products, the Company has compared quotations from TCI with other independent third-party suppliers to ensure the reasonableness of the procurement prices. The consideration paid by the Group for the procurement under the Products Procurement Framework Agreement will be charged on a cost-plus basis with the mark-up rate no more than 8% which is determined by arm's length negotiation between the parties taking into account the TCI Group's cost of development and maintenance of relationship of brand partners in Japan, with reference to the prevailing mark-up rates for such kind of transactions in the market. The business departments of the Company shall review product list and mark-up rates offered by TCI Group from time to time, taking into account factors including market prospects, procurement quantity and profitability of the products offered by TCI Group. The senior management of the business departments of the Company will estimate the profit margin prior to entering into definitive agreements with TCI Group taking into account the expected sales price of the Products, consideration to be paid by the Group to TCI Group for such procurement, and any other applicable expenses and costs borne by the Group and assess whether such estimated profit margin will be around or above the average profit margin of the Group's overall sales (the "Average Profit Margin"). In the event that mark-up rates offered by the TCI Group would not allow the Company to have a reasonable profit margin around or above the Average Profit Margin, the Company shall not procure such products from TCI Group and will re-negotiate mark-up rates with TCI Group. The brand partners of the Products, TCI Group and the Group (the "Relevant Parties") have been cooperating under the existing business model since Relevant Parties first commenced such cooperation in 2018. Taking into account (i) the quotations and terms offered by three independent suppliers who are capable of fulfilling the Product demand of the Group, in respect of the Products, are not more favorable to the Group than those offered by TCI Group; (ii) the mark-up rates mainly consist of the cost borne by TCI Group to maintain business relationship with brand partners of the Products which are basically comparable with the overall business partner maintenance costs of the Group; (iii) the mark-up rates have been stable since Relevant Parties first commenced such cooperation and are expected to be stable under the Products Procurement Framework Agreement; and (iv) the Group has a long-term and stable business relationship with TCI Group who is familiar with the Group's requirements and business operation. The Products have been provided by TCI Group in high and stable quality standards and TCI Group could also ensure punctual delivery of sufficient amounts of the Products even during peak seasons which benefits the smooth business operations of the Group.



REPORT OF THE DIRECTORS

With regard to the Products Procurement Framework Agreement, the consideration to be paid by the Group to TCI in respect of the transactions contemplated thereunder for the three years ended 31 December 2023, 2024 and 2025 shall not exceed RMB90 million, RMB117 million and RMB175 million respectively. During the Reporting Period, the consideration paid by the Group to TCI in respect of the transactions contemplated under the Products Procurement Framework Agreement was approximately RMB75.03 million.

During the Reporting Period, save as disclosed above, the Company did not have any other connected transactions which are required to be disclosed pursuant to the requirements of Chapter 14A of the Listing Rules.

During the Reporting Period, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company has performed certain pre-determined audit procedures regarding the continuing connected transactions conducted by the Group during the year ended 31 December 2025 as set out above and stated that:

- (1) the foresaid continuing connected transactions have been approved by the Board;
- (2) the foresaid continuing connected transactions were entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (3) the aggregate amount of the foresaid continuing connected transactions has not exceeded the relevant caps as disclosed in the Prospectus.

Save as disclosed above, the provision of services to TCI as disclosed in note 32 to the consolidated financial statements constituted exempt connected transactions of the Company as defined in Chapter 14A of the Listing Rules, and are in compliance with the disclosure requirements in Chapter 14A of the Listing Rules. The remaining related party transactions of the Group are disclosed in note 32 to the consolidated financial statements, and they did not constitute the connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and are in compliance with the disclosure requirements in Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors are aware, during the Reporting Period and up to the date of this annual report, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on its business and operations.

TAX RELIEF

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Director has a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2025 and up to the date of this annual report.

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

Save as disclosed in the paragraph headed "CONTINUING CONNECTED TRANSACTIONS" above and in this annual report, no controlling Shareholder or its subsidiaries has a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2025 and up to the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year ended 31 December 2025 was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or minor children were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

MATERIAL LEGAL ACTIONS

During the year ended 31 December 2025, the Company was not involved in any material legal actions or arbitrations. To the best knowledge of the Directors, the Company was not involved in any unsettled material legal actions or claims or in any such material legal actions or claims that might threaten the Company.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, during the year ended 31 December 2025, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business which was in competition or was likely to compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws, the Company has arranged for appropriate insurance to cover all costs, charges, losses, expenses and liabilities incurred by any Directors or officers in the execution and discharge of his duties or in relation thereto. The relevant provisions in the Articles of Association and such directors and officers liability insurance were in force during the year ended 31 December 2025 and as at the date of this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the acquisitions disclosed in the section headed “Subsequent Event” in this annual report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during 2025 and up to the date of this annual report.

SUBSEQUENT EVENT

On 15 December 2025, UNQ Japan Co., Ltd.* (UNQジャパン株式会社) (the “**Purchaser**”, a company incorporated in Japan and wholly-owned subsidiary of the Company) entered into a share purchase agreement (the “**SPA**”) with Mr. Uchihara Shigeki (the “**Vendor A**”, a businessman based in Japan) and Harmony Ltd.* (有限会社ハーモニー) (the “**Vendor B**”, a company incorporated in Japan with limited liability, the principal business of which is investment holding and is wholly-owned by Ms. Yuki Ono, the daughter of Vendor A) (Vendor A and Vendor B collectively referred to as the “**Vendors**”), pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, 2,701 shares in the One Two Co., Ltd.* (株式会社ワン・ツー) (the “**Target Company**”, a company incorporated in Japan with limited liability), representing approximately 90% of the issued shares of the Target Company, at an aggregate consideration of JPY2,701,000,000 (equivalent to approximately HK\$135,050,000). The Target Company owns, and is principally engaged in the operation of, Akahige Pharmacy, a leading consultation pharmacy chain in Japan which specialised in sexual health and wellness.

Completion is conditional upon the satisfaction (or waiver) of the following conditions: (i) the representations and warranties of the Purchaser being true and accurate in all respects on each of the date of the SPA and the completion date; (ii) the representations and warranties of the Vendors being true and accurate in all respects on each of the date of the SPA and the completion date; (iii) the Purchaser taking all necessary steps to give effect to the acquisition pursuant to applicable law, the Listing Rules, the SPA and internal requirements; (iv) the Vendors taking all necessary steps to give effect to the acquisition pursuant to applicable law, the SPA and internal requirements; (v) the Vendors obtaining resignation notices from certain directors of the Target Company and its group companies and procuring the Target Company and its group companies to complete payment of retirement allowances to such directors; (vi) the Vendors complying with the pre-completion restrictions under the SPA; (vii) the Vendors providing payment details on certain advertisement arrangement undertaken by the Target Company prior to completion; (viii) the Purchaser having arranged for necessary funds to satisfy the consideration; and (ix) no material adverse change having occurred to the Target Company, particularly in respect of its operations, assets, liabilities, financial conditions, operational results or future prospects.

* For identification purposes only

The conditions have been satisfied and the acquisition of the Target Company was completed on 5 January 2026. The Target Company has become an indirect non-wholly owned subsidiary of the Company, and the financial results of the Target Company have been consolidated into the Group's financial statements since then.

The transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcements of the Company dated 15 December 2025 and 5 January 2026.

In the announcement of the Company dated 15 December 2025, for illustration purposes only and unless otherwise stated, amounts denominated in JPY have been translated into HK\$ using the exchange rate of JPY1.00 = HK\$0.050. Such translations shall not be construed as a representation that any amount in JPY can be or could have been converted into HK\$ at the above rate or at all.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public as at the date of this annual report.

AUDIT COMMITTEE

The Audit Committee, together with the Board, has reviewed the accounting principles and practices adopted by the Group and has discussed the internal control procedures and the financial reporting of the Group, together with the management. The Audit Committee has reviewed and discussed the annual results of the Group for the year ended 31 December 2025.

AUDITOR

As disclosed in the Company's announcement dated 13 September 2024, in view of recent market information, based on principle of prudence, and taking into account the Company's current business situation and the future needs of audit services, after the Company's communication with PricewaterhouseCoopers ("**PwC**") on the proposed change of auditor, PwC agreed to resign as auditor of the Company with effect from 13 September 2024. The Company has appointed BDO Limited ("**BDO**") as the auditor of the Company with effect from 13 September 2024 to fill the casual vacancy following the resignation of PwC and to hold office until the next annual general meeting of the Company. Save for the above, there has been no change in the auditor of the Company during the last three years.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by BDO who shall retire in the AGM and, being eligible, will offer itself for re-appointment.



REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES

The Group recognises the importance of protecting the environment, adheres to low-carbon development and green operation and strives to minimise the impact to the environment by reducing use of energies and other resources. Details of the Company’s environmental policies and performance will be disclosed in the “Environmental, Social and Governance Report” of the Company which will be published on the websites of the Company and the Stock Exchange together with this annual report.

For and on behalf of the Board

WANG Yong

Chairman

Hong Kong, 30 March 2026



CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code set out in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, save as disclosed as follows, the Company has complied with all applicable code provisions as set out in the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman of the Board and chief executive officer should be separate and performed by different individuals.

The roles of chairman of the Board and chief executive officer of the Company are currently performed by Mr. WANG Yong. In view of Mr. WANG Yong's substantial contribution to the Group since its establishment and his extensive experience, the Group considers that having Mr. WANG Yong acting as both the chairman of the Board and chief executive officer of the Company will provide strong and consistent leadership to the Group and facilitate the efficient execution of business strategies of the Group. The Group considers it appropriate and beneficial to the Group's business development and prospects that Mr. WANG Yong acts as both the chairman of the Board and chief executive officer of the Company, and therefore currently does not propose to separate the functions of chairman of the Board and chief executive officer of the Company.

While this would constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. WANG Yong and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer of the Company is necessary.

THE BOARD

Culture

The Group is committed to developing a positive corporate culture that is built on its vision of "Serve as home to quality and interesting products and a guide to a healthy and beautiful life" and core value of "Innovation, Efficiency, Simplicity and Happiness", to allow its employees to meet their full potential, and that enables the Company to deliver long-term sustainable growth and success. More information about the Group's vision and core values are available on the Group's website ("About UNQ" section).

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee the particular affairs of the Company, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees the responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and Shareholders at all times.

The Company has arranged appropriate liability insurance covering any legal actions against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Directors

Mr. WANG Yong (*Chairman and Chief Executive Officer*)

Mr. SHEN Yu

Ms. CHEN Weiwei

Non-executive Director

Mr. NAKAYAMA Kokkei

Independent Non-executive Directors

Dr. NG Kam Wah Webster

Mr. WEI Hang

Ms. XIN Honghua

The biographies of the Directors are set out under the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Ms. CHEN Weiwei obtained a master's degree in business administration from Fudan University (復旦大學) in Shanghai, the PRC in July 2025.

Dr. NG Kam Wah Webster obtained a doctor's degree in business administration from The Hong Kong Polytechnic University (香港理工大學) in October 2025, and was elected as a member of the eighth Legislative Council of the Hong Kong Special Administrative Region (Accountancy functional constituency) in December 2025, with his term commencing on 1 January 2026.

Save as disclosed above, the Directors have confirmed that there is no information required to be disclosed pursuant to under Rule 13.51B(1) of the Listing Rules since the date of the 2025 Interim Report up to the date of this Annual Report.

During the year ended 31 December 2025, the Board has complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors (among which, at least one independent non-executive Director shall possess appropriate professional qualifications or accounting or related financial management expertise).

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules regarding the appointment of independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. Therefore, the Company considers all independent non-executive Directors to be independent.

Save as disclosed in the biographies of Directors in the section headed “Biographical Details of Directors and Senior Management” of this annual report, no Directors have any personal relations (including financial, business, family or other material relations/correlations) with any other Directors or the chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration Committee and Nomination Committee.

In regard to the CG Code provision of requiring Directors to disclose to the issuer the number and nature of offices held in public companies or organisations and other significant commitments, as well as their identity and the time involved, all the Directors have agreed to disclose their commitments to the Company in a timely manner.

Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of the Board and to maintain high standards of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and educational background, ethnicity, and length of service. The ultimate decision will be based on merit and the contribution that the selected candidates will bring to the Board.

The Board comprises seven members, including one female executive Director and one female independent non-executive Director. The Company had targeted to achieve and had achieved at least one female Director and considers that the current gender diversity on its Board is satisfactory. In recognising the particular importance of gender diversity, we confirm that the Nomination Committee will continuously use its best efforts to identify and recommend suitable female candidates to the Board for its consideration.

CORPORATE GOVERNANCE REPORT

Under the current composition of the Board, the Board has a balanced mix of knowledge, skills and experience, including experience in e-commerce, finance, corporate management, accounting and financial markets. The Directors have diverse educational background including economics, financial accounting, machine technology and management. We have three independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of the Board. Furthermore, the Board has a wide range of age, ranging from 42 to 62 years old. Taking into account our existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the Board Diversity Policy.

The following tables further illustrate the diversity of the Board members as at the date of this annual report:

	3	+	1	+	3
	executive Directors		non-executive Director		independent non-executive Directors
Gender			Female 2 Directors		Male 5 Directors
Age Group			40-50 3 Directors		51-60 3 Directors
					>60 1 Director
Directorship with UNQ (Number of Years)			1-3 1 Director		4-7 6 Directors
Other Public Company Directorship(s) (Number of Companies)			0 6 Directors		1 1 Director

Directors' skills and experience:

	Corporate Management	Capital Markets Expertise	Experience in Chinese Mainland Markets	Accounting/ Financial Management Expertise	Experience in Overseas Markets	Internet Platform Operations/ Brand Management
Mr. WANG Yong	√	√	√		√	√
Mr. SHEN Yu	√	√	√	√		
Ms. CHEN Weiwei	√		√		√	√
Mr. NAKAYAMA Kokkei	√	√	√		√	√
Dr. NG Kam Wah Webster	√	√		√	√	
Mr. WEI Hang	√		√		√	√
Ms. XIN Honghua	√	√		√	√	

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant code provisions governing board diversity under the CG Code. The Nomination Committee, from time to time and at least once annually, reviews Board Diversity Policy and compliance with the CG Code to ensure its continued effectiveness, and the Company discloses in the corporate governance report about the implementation of the Board Diversity Policy on an annual basis. Furthermore, The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, in particular at the Board level. In addition, the Company is committed to providing career development and training opportunities for its staff who it considers have the suitable experience, skills and knowledge with an aim to promote them to senior management or Directors. The Company will also ensure that there is gender diversity in staff recruitment at mid to senior levels so as to develop a pipeline of potential successors to the Board. As at 31 December 2025, the female employees accounted for approximately 72.9% of the total employees (including senior management) and approximately 73.4% (excluding senior management) of the Group, specifically, female employees constituted 50.0% of senior management (including executive Directors), 38.5% of senior staff, 77.1% of middle-level staff, and 74.8% of junior staff of the Group. The Group is of the view that, taking into account the Group's business model and specific needs, the gender diversity in respect of the current composition of the work force is satisfactory. The Board has adopted a workforce diversity policy. We continually take positive action to ensure equal opportunity in the conduct of employment activities, including recruitment, hiring, compensation, training and promotion for all persons to be based on their competence, knowledge, experience and individual performance, regardless of gender.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed Directors will be provided with necessary induction training and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide all Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Company encourages all Directors to seek continuous professional development and thus develop and update their knowledge and skills. The joint company secretaries of the Company, from time to time, update and provide written training materials relating to the roles, functions and duties of directors.

CORPORATE GOVERNANCE REPORT

According to the information provided by the Directors, they have received trainings as follows during the year ended 31 December 2025:

	Areas						Type of trainings	Approximate number of hours of trainings
	The roles, functions and responsibilities of the board, its committees and board effectiveness	The Company's obligations and directors' duties under Hong Kong law and Listing Rules, and key legal and regulatory developments relevant to the discharge of such obligations and duties	Corporate governance and ESG matters	Risk management and internal controls	Industry-specific developments, business trends and strategies			
Mr. WANG Yong	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	
Mr. SHEN Yu	5 hours	6 hours	6 hours	4 hours	2 hours	(1), (2)	23 hours	
Ms. CHEN Weiwei ⁽³⁾	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	
Mr. NAKAYAMA Kokkei	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	
Dr. NG Kam Wah Webster	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	
Mr. WEI Hang	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	
Ms. XIN Honghua	4 hours	3 hours	4 hours	2 hours	2 hours	(1), (2)	15 hours	

Notes:

- (1) Attended trainings/seminars/conference arranged by the Company or other external parties or read relevant materials;
- (2) Briefings and updates on the business, operations and corporate governance matters.
- (3) Mr. CHEN Weiwei was appointed as an executive Director on 28 March 2024. She was a first-time director and had completed no less than 24 hours of the continuous professional development required by rule 3.09F within 18 months of the date of her appointment.

During the Reporting Period, the Group has not conducted the evaluation of the performance of the Board (the “**Board Performance Evaluation**”) (except for the review of the Board’s composition and skills). The Board will set up a policy for the Board Performance Evaluation during the year ending 31 December 2026. The evaluation will at least cover the following areas: Board composition and skills, Board culture and dynamics, Board practices, quality and timeliness of information to the Board, Board meetings, compliance and training, risk management and internal controls and stakeholder engagement.

The process of the Board Performance Evaluation will include: (i) identifying the approach and scope; (ii) questionnaires of the performance of the Board and each of the committees of the Board to be completed by the Directors; (iii) results of the questionnaires to be analysed by the joint company secretaries and meeting with individual Director if necessary; (iv) evaluation results to be presented to the Board for further discussions; (v) the Board to determine the action plan(s) to enhance the Board’s performance and effectiveness; and (vi) conducting the Board Performance Evaluation at least once in every two years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. WANG Yong, the chairman of the Board and chief executive officer of the Company, provides leadership and is responsible for the effective functioning and leadership of the Board. He is also responsible for the Group's business development and daily management and operations generally. Mr. WANG Yong ensures that the Board maintains effective operation to perform its functions and discusses all important and appropriate matters in a timely manner. Mr. WANG Yong must also ensure that all Directors have been formally notified of the matters to be discussed at the Board meetings.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company with a term of three years, effective from 12 July 2024 of the renewed terms for Mr. WANG Yong and Mr. SHEN Yu and from 28 March 2024 for Ms. CHEN Weiwei. The respective executive Directors or the Company may terminate the contract by serving not less than three months' written notice to the other party. The appointment of an executive Director shall be made in accordance with the requirements on Directors' retirement by rotation under the Articles of Association and applicable Listing Rules.

The non-executive Director and each of the independent non-executive Directors have signed a letter of appointment with the Company with a term of three years commencing from the effective date of the appointment, which has been renewed for further three years upon initial expiration. In accordance with their respective letters of appointment, each of the independent non-executive Directors is entitled to receive a fixed amount of Director's emoluments while the non-executive Director is not entitled to receive any remuneration. Relevant appointments shall be made in accordance with the requirements on Directors' retirement by rotation under the Articles of Association and applicable Listing Rules.

Save as disclosed above, none of the Directors has entered into any service contracts with any members of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

In accordance with the Articles of Association, one-third of the Directors (or the nearest number but no less than one-third of the Directors, if the number of Directors is not a multiple of three (3)) are subject to retirement by rotation at each annual general meeting and each Director shall retire by rotation at least once every three years at an annual general meeting. Any Director newly appointed by the Board to fill a causal vacancy of the Board or serve as a new Director shall submit himself/herself for election by Shareholders at the next annual general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and providing recommendations regarding the appointment, re-election and succession plans of Directors to the Board.

Board Meetings

The Board has adopted mechanisms to ensure independent views and input are available to the Board. The Company is committed to ensuring that all Directors will be given equal opportunity and channels to communicate and express their independent views and inputs to the Board and the Board Committees. All Directors may seek further information and documentation from the management on the matters to be discussed at Board meetings. They may also seek assistance from the joint company secretaries of the Company and independent advice from external professional advisers at the Company's expense. The management also provides all Directors with monthly updates giving them a balanced and understandable assessment of the Company's performance, positions and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately once each quarter. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend regular meetings and discuss the matters on the agenda.

For other Board and Board Committees meetings, reasonable notices will be given. The agenda and accompanying meeting papers are dispatched to the Directors or Board Committees members at least three days or two working days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When any Directors or Board Committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. Minutes of meetings should be kept by the joint company secretaries of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient detail including the matters considered by the Board and the Board Committees and the decisions reached, and any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committees meeting are sent to the Directors for consideration within a reasonable time after the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.

During the year ended 31 December 2025, the Board held 5 Board meetings and two general meetings. The attendance of individual Directors at the Board meetings and general meetings is as follows:

Directors	Number of Board meetings attended/ number of Board meetings requiring attendance	Number of general meetings attended/ number of general meetings requiring attendance
Mr. WANG Yong	5/5	2/2
Mr. SHEN Yu	5/5	2/2
Ms. CHEN Weiwei	5/5	2/2
Mr. NAKAYAMA Kokkei	5/5	2/2
Dr. NG Kam Wah Webster	5/5	2/2
Mr. WEI Hang	5/5	2/2
Ms. XIN Honghua	5/5	2/2

Apart from regular Board meetings, the chairman of the Board also held a meeting with the independent non-executive Directors without the presence of other Directors during the year of 2025.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific inquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2025.

Delegation by the Board

The Board reserves its right to decide all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in its corporate governance reports.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to handle particular responsibilities of the Board and the Company's affairs. All Board Committees are established with defined written terms of reference which have been uploaded to the website of the Stock Exchange and that of the Company.

Audit Committee

The Company established the Audit Committee which consists of three independent non-executive Directors being Dr. NG Kam Wah Webster, Mr. WEI Hang and Ms. XIN Honghua. Dr. NG Kam Wah Webster has been appointed as the chairman of the Audit Committee. The Audit Committee had two meetings with the external auditor during the year of 2025 without the presence of the other Directors.

The principal duties of the Audit Committee include:

1. to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to handle matters relating to its resignation or dismissal;
2. to monitor integrity of the Company's financial statements and annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained therein; and
3. to review the Company's financial controls, internal control and risk management system, and to discuss the internal control systems with the management to ensure that the management has performed its duty to have effective internal control systems.

During the year ended 31 December 2025, the Audit Committee held 3 meetings. The table below sets out the attendance of each member of the Audit Committee at the meetings:

Directors	Number of meetings requiring attendance	Number of meetings attended
Dr. NG Kam Wah Webster	3	3
Mr. WEI Hang	3	3
Ms. XIN Honghua	3	3

The Audit Committee's major work during the year ended 31 December 2025 includes:

- to review the annual results of the Group for the year ended 31 December 2024 and 2024 annual report;
- to review the interim results of the Group for six months ended 30 June 2025 and 2025 interim report;
- to review and/or approve the Company's 2024 final dividend proposal;
- to review the significant findings from the internal audit department, external auditor and regulators, and management's response to their recommendations;
- to review the Company's financial reporting systems, compliance procedures, internal control, risk management systems and procedures, continuing connected transactions and the re-appointment of external auditors; and
- to review the Company's ESG work.

Remuneration Committee

The Company established the Remuneration Committee. During the Reporting Period, Dr. NG Kam Wah Webster, an independent non-executive Director, has been re-designated from a member of the Nomination Committee to a member of the Remuneration Committee and Ms. XIN Honghua, an independent non-executive Director, has been re-designated from a member of the Remuneration Committee to a member of the Nomination Committee both with effect from 28 March 2025.

Following the above changes, the Remuneration Committee consists of two independent non-executive Directors, being Mr. WEI Hang and Dr. NG Kam Wah Webster, and one executive Director, being Mr. WANG Yong. Mr. WEI Hang has been appointed as the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include:

1. to make recommendation to the Board in relation to remuneration policy and structure for all Directors and senior management of the Company, and establishment of a formal and transparent procedure for developing such remuneration policy;
2. to review and if appropriate, approve the management's remuneration proposals with reference to corporate goals and objectives of the Board;
3. to determine remuneration packages of all executive Directors and senior management according to the authorisation of the Board; and
4. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held 1 meeting. The table below sets out the attendance of each member of the Remuneration Committee at the meeting:

Directors	Number of meetings requiring attendance	Number of meetings attended
Mr. WEI Hang	1	1
Ms. XIN Honghua	1	1
Mr. WANG Yong	1	1
Dr. NG Kam Wah Webster	0	0

The Remuneration Committee's major work during the year ended 31 December 2025 includes:

- to review and approve the results of the 2024 management performance appraisal and to determine the remuneration packages and performance targets for senior management for 2025;
- to make recommendations to the Board regarding the remuneration package of Directors and senior management;
- to make recommendation to the Board regarding the 2022 RSU Scheme; and
- to review and/or approve matters relating to the 2022 RSU Scheme.

Nomination Committee

The Company established the Nomination Committee. During the Reporting Period, Ms. XIN Honghua, an independent non-executive Director, has been re-designated from a member of the Remuneration Committee to a member of the Nomination Committee and Dr. NG Kam Wah Webster, an independent non-executive Director, has been re-designated from a member of the Nomination Committee to a member of the Remuneration Committee, both with effect from 28 March 2025.

Following the above changes, the Nomination Committee consists of one executive Director, being Mr. WANG Yong, and two independent non-executive Directors, being Ms. XIN Honghua and Mr. WEI Hang. Mr. WANG Yong has been appointed as the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include:

1. to review the structure, size and composition (including but not limited to diversity of skills, knowledge and experience and length of service) of the Board at least once a year, assist the Board in maintaining a Board skills matrix, and to make recommendations to the Board regarding any proposed changes to the corporate strategy of the Company;
2. to identify individuals qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of the independent non-executive Directors according to the Listing Rules;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and succession plan for Directors;
5. to formulate the policy concerning diversity of Board and employees (including senior management), to review the policy, any measurable objectives for implementing such policy as may be adopted by the Board from time to time, progress on achieving the objectives set for implementing the policy and the gender diversity targets annually, and to disclose the policy or a summary of the policy, progress and review results in the corporate governance report; and
6. to support the Company's regular evaluation of the Board's performance.

The Board has delegated its responsibilities to the Nomination Committee for identification and selection of candidates to stand for election as Directors. The factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, include diversity in aspects, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how; sufficient time to effectively carry out their duties; their services on other listed and non-listed companies should be limited to a reasonable number; qualifications, including skills, accomplishments and experience in the relevant industries the Company's business is involved in; and independence etc.

During the year ended 31 December 2025, the Nomination Committee held 1 meeting. The table below sets out the attendance of each member of the Nomination Committee at the meeting:

Directors	Number of meetings requiring attendance	Number of meetings attended
Mr. WANG Yong	1	1
Dr. NG Kam Wah Webster	1	1
Mr. WEI Hang	1	1
Ms. XIN Honghua	0	0

The Nomination Committee's major work during the year ended 31 December 2025 includes:

- to review the structure, size, diversity and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to review and amend the terms of reference of the Nomination Committee;
- to review the Board Diversity Policy; and
- to consider the re-election of retiring Directors.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration of the Directors for the year ended 31 December 2025 are set out in note 33 to the consolidated financial statements. Details of the remuneration by band of the Directors and senior management of the Company, whose biographies are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report, for the year ended 31 December 2025 are set out below:

Remuneration range (in RMB)	Number of persons
0	1
1-1,000,000	4
1,000,001-2,000,000	3
2,000,001-3,000,000	0

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows. The management has provided the Board with such explanations and information as necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which were submitted to the Board for approval.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 63 to 67 of this annual report. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimations that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group maintains an effective internal control and risk control system, including certain organisational arrangements with clear responsibilities and authorisation boundaries, as well as comprehensive systems and monitoring procedures, so as to always protect the investment of the Shareholders and the assets of the Group. The risk management organisational structure of the Company consists of three levels: supervision level, operation level, and management level. The Board and the Audit Committee, which belong to the supervision level, are the highest decision-making bodies of the Company's risk management system, and the Board shall take ultimate responsibility for the sound and effective implementation of the Company's risk management systems and be responsible for reviewing their effectiveness. All departments of the Company are at the operation level and responsible for the execution of day-to-day risk management tasks. The management team of the Company is at the management level, and continuously monitors the scope and quality of risk management tasks. These systems are designed to manage and mitigate the risks inherent in the Group's business faced by the Group to an acceptable level, not to eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance that there will be no material misstatement, loss or fraud.

The Group has established an internal audit department, which is responsible for performing the internal audit function, continuously monitoring the Group's risk management and internal control systems, and reviewing the adequacy and effectiveness of these systems every year. The review covers all important controls such as financial, operational and compliance monitoring. In addition, the internal audit department will conduct project audits on specific issues according to the operation and business needs, and initiate fraud investigation after a tip-off is received.

The Group has established a whistle-blowing mechanism and encourage employees to report incidents of misconduct or fraud. Recognising that anti-corruption training is essential for creating a healthy corporate culture, the Group has provided relevant training to Directors and employees, including senior management. The Group has provided all employees with anti-corruption and anti-fraud guidelines to help them understand their roles and responsibilities in anti-corruption as well as to cultivate good professional ethics among its employees at all levels.

During the year ended 31 December 2025 and up to the date of this annual report, the Audit Committee conducted a review of the effectiveness of the Company's risk management and internal control systems and considered that such systems are effective and adequate. During the year ended 31 December 2025, there were no significant matters relating to risk management and internal control systems that required the attention and action from the Company.

The Board, through the Audit Committee, reviewed the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2025, which covered controls over financial reporting, operations and compliance, as well as risk management functions, and considered that the system of internal controls in operation in the Group has been in place and functioning effectively. The Board and the Audit Committee review the effectiveness of the Company's risk management and internal monitoring system every half year.

The Company has followed internal guidelines to ensure that inside information is released to the public in a fair and timely manner in accordance with applicable laws and regulations. Relevant personnel and other relevant professionals are required to maintain the confidentiality of such inside information before it is publicly disclosed. The Company has also implemented other relevant procedures, such as pre-approval of trading in the Company's securities by Directors and notification to Directors and employees of regular blackout periods and restrictions on trading in securities, to prevent possible improper handling of inside information within the Group.

In addition, the Board is of the opinion that the accounting and financial reporting functions of the Company have been performed by employees with appropriate qualifications and experience, and such employees have received appropriate and sufficient training and development. According to the audit report of the Audit Committee, the Board also believes that sufficient resources have been obtained for the internal audit function of the Company, and its employee qualifications and experience, training plan and budget are sufficient.

INDEPENDENT AUDITORS' REMUNERATION

The approximate remuneration for the audit and non-audit services provided by the auditors to the Company during the year ended 31 December 2025 is as follows:

Service category	Amount (RMB)
Audit services	2,200,000
Non-audit services	–
Total	2,200,000

JOINT COMPANY SECRETARIES

Mr. SHEN Yu (“**Mr. SHEN**”) was appointed as our joint company secretary on 28 June 2021. In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also engaged Ms. NG Sau Mei (“**Ms. NG**”) of TMF Hong Kong Limited (a company secretarial services provider), as another joint company secretary to assist Mr. SHEN to fulfill his duties as company secretary of the Company during the Reporting Period. Her primary contact person at the Company is Mr. SHEN. Mr. SHEN and Ms. NG have undertaken not less than 15 hours of relevant professional training during the Reporting Period in compliance with Rule 3.29 of the Listing Rules.

Ms. NG resigned as the joint company secretary on 30 March 2026 due to other work arrangements, and Ms. POON Wai Shan of TMF Hong Kong Limited was appointed as the joint company secretary in replacement of Ms. NG on the same day.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding the Group’s business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information of the Company, which will enable the Shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides an opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board and each of the chairmen of the Board Committees will attend the annual general meetings of the Company to answer Shareholders’ questions. The auditor of the Company will also attend the annual general meetings of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders’ communication policy which aims at establishing a two-way relationship and communication between the Company and Shareholders and maintains a website at www.youquhui.com, where up-to-date information on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access. The Board maintains an ongoing dialogue with the Shareholders and the investors such that the Shareholders can exercise their rights in an informed manner, and they and the investors can engage actively with the Group. Shareholders may communicate their views through the various channels as more particularly set out in the below section “Enquiries to the Board”. The Board has reviewed the Group’s shareholders and investors engagement and communication activities conducted in 2025 and was satisfied with the implementation and effectiveness of the Shareholders’ communication policy.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue (including election of individual Directors) at general meetings of the Company.

All resolutions put forward at general meetings of the Company will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of Extraordinary General Meetings and Putting Forward Proposals

Shareholders may put forward proposals for consideration at the Company's general meetings according to the Articles of Association. Any one or more Shareholders with the right to vote on the Company's general meetings and hold a paid-up capital of no less than one-tenth on the date of submitting a request shall have the right to call an extraordinary general meeting at any time with such a written request to the Board or any one of the joint company secretaries of the Company to address any matters stated in such request. If the Board does not within 21 days from the date of submission of the request proceed duly to convene the meeting to be held within a further 21 days, the persons submitting such requests may convene a meeting according to normal procedures and all expenses reasonably incurred by the persons submitting such requests due to the Board's failure to convene such a general meeting shall be compensated by the Company.

As regards proposing a person for election as a Director, relevant procedures are available on the Company's website.

Inquiries to the Board

Shareholders who intend to put forward their inquiries about the Company may contact investor relation department at the Company's headquarters via e-mail at IR@myunq.com. The Company will endeavor to respond to their queries in a timely manner. Shareholders may also make enquiries with the Directors at general meetings of the Company.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change to the Company's memorandum and articles of association. The Company's memorandum and articles of association are available on the website of the Company (www.youquhui.com) and that of the Stock Exchange.



INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

To the Shareholders of UNQ Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of UNQ Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 68 to 153 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and 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 (“**IFRS Accounting Standards**”) 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**”) 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 we do not provide a separate opinion on these matter.

Revenue recognition from sales of goods

Refer to Note 4(a) and Note 6 to the consolidated financial statements relating to revenue. For the year ended 31 December 2025, revenue recognised from sales of goods amounted to approximately RMB1,289,250,000.

The Group's revenue primarily consists of proceeds from sales of goods through both Business-to-Business (B2B) and Business-to-Consumer (B2C) models, amounting to approximately RMB656,100,000 and RMB633,150,000, respectively, for the year ended 31 December 2025.

We have identified the revenue recognition from sales of goods as a key audit matter because of its significance to the consolidated financial statements of the Group and the differences in revenue recognition timing and basis between the B2B and B2C models. In addition, revenue from sales of goods is recognised on a gross or net basis, which requires significant judgment. We dedicated substantial time and resources to our procedures in this area.

How the matter was addressed in our audit

Our procedures related to revenue recognition from sales of goods included:

- We understood, evaluated and tested relevant internal controls related to the revenue recognition under different business models.
- We engaged our internal IT audit specialists to assess the information technology general controls supporting the business systems and relevant application controls related to revenue recognition.
- We evaluated the appropriateness of accounting treatment of revenue recognition, including on a gross or net basis and the timing, through inquiries with management and review of customer contracts and e-commerce platforms on a sample basis.
- We performed sample test of sales transactions against relevant supporting documents, including sales orders, goods delivery notes or delivery records on e-commerce platforms, as well as subsequent payments from customers.
- We performed cut-off test on sales transactions occurring shortly before and after the year end date, by reviewing delivery notes or delivery records on e-commerce platforms to ensure revenue was recognised in the proper financial reporting periods.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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 and will 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 identified above 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 the consolidated financial statements.

As part of an audit in accordance with HKSA's, 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 management.
- Conclude on the appropriateness of management's 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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.

BDO Limited

Certified Public Accountants
Lee, Alfred
Practising Certificate Number P04960

Hong Kong, 30 March 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	6	1,292,895	1,348,400
Cost of revenue	6	(857,790)	(943,705)
Gross profit		435,105	404,695
Selling and marketing expenses		(345,372)	(311,949)
General and administrative expenses		(44,126)	(47,470)
Research and development expenses		(3,008)	(4,469)
Net impairment losses on financial assets	3.1.2(b)	(12,935)	(11,269)
Other income	7	255	721
Other losses – net	10	(7,403)	(2,419)
Operating profit		22,516	27,840
Finance income	11	6,735	10,410
Finance costs	11	(6,770)	(6,002)
Share of net profit of associates and joint ventures accounted for using equity method	14	3,649	9,567
Profit before income tax	8	26,130	41,815
Income tax expenses	12	(2,002)	(5,344)
Profit for the year		24,128	36,471
Attributable to:			
– Owners of the Company		24,140	37,892
– Non-controlling interests		(12)	(1,421)
		24,128	36,471

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000
Other comprehensive losses			
<i>Items that may be reclassified to profit or loss</i>			
Share of other comprehensive losses of joint ventures accounted for using equity method	14	(386)	(2,463)
Exchange differences on translation of foreign operations		(8,433)	(3,149)
Acquisition of non-controlling interests		–	(1,448)
Total other comprehensive losses		(8,819)	(7,060)
Total comprehensive income for the year		15,309	29,411
Attributable to:			
– Owners of the Company		15,321	30,832
– Non-controlling interests		(12)	(1,421)
		15,309	29,411
Earnings per share attributable to owners of the Company		RMB	RMB
– Basic and diluted earnings per share	13	0.15	0.23

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

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment & right of use assets	15	7,832	5,156
Intangible assets	16	1,818	1,616
Deferred tax assets	26	62,673	58,048
Investments accounted for using equity method	14	6,819	3,673
Financial assets measured at fair value through profit or loss ("FVPL")	3.3	28,607	34,864
Total non-current assets		107,749	103,357
Current assets			
Inventories	18	290,291	264,986
Trade and other receivables	20	199,088	233,873
Other current assets	19	101,827	97,286
Restricted cash	21	50,069	51,875
Cash and cash equivalents	21	306,410	438,576
Total current assets		947,685	1,086,596
Total assets		1,055,434	1,189,953
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	22	14	14
Share premium	22	2,411,438	2,487,083
Other reserves	23	(1,490,812)	(1,481,993)
Accumulated losses		(261,497)	(285,637)
		659,143	719,467
Non-controlling interests		(12)	1,006
Total equity		659,131	720,473

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	24	10,041	28,305
Lease liabilities	15(b)	3,577	273
Total non-current liabilities		13,618	28,578
Current liabilities			
Contract liabilities	6(b)	1,943	7,015
Trade and other payables	25	125,901	246,280
Lease liabilities	15(b)	3,029	3,795
Current tax liabilities	28	19,792	5,344
Provisions	30	9,134	6,375
Borrowings	24	222,886	172,093
Total current liabilities		382,685	440,902
Total liabilities		396,303	469,480
Total equity and liabilities		1,055,434	1,189,953

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

The consolidated financial statements on pages 68 to 153 were approved by the Board of Directors on 30 March 2026 and were signed on their behalf.

Wang Yong
Director

Shen Yu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Attributable to owners of the Company						Non-controlling interests RMB'000	Total equity RMB'000
		Share capital	Share premium	Other reserves	Accumulated losses	Total			
		RMB'000 (Note 22)	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000	RMB'000			
At 1 January 2024		14	2,524,727	(1,474,933)	(323,529)	726,279		979	727,258
Comprehensive (losses)/income									
Profit/(loss) for the year		-	-	-	37,892	37,892		(1,421)	36,471
Other comprehensive losses	23	-	-	(7,060)	-	(7,060)		-	(7,060)
Total comprehensive income for the year		-	-	(7,060)	37,892	30,832		(1,421)	29,411
Transactions with owners:									
Dividends declared to shareholders of the Company	22	-	(37,644)	-	-	(37,644)		-	(37,644)
Acquisition of non-controlling interests	23	-	-	-	-	-		1,448	1,448
At 31 December 2024 and 1 January 2025		14	2,487,083	(1,481,993)	(285,637)	719,467		1,006	720,473
Comprehensive income/(losses)									
Profit/(loss) for the year		-	-	-	24,140	24,140		(12)	24,128
Other comprehensive losses	23	-	-	(8,819)	-	(8,819)		-	(8,819)
Total comprehensive income for the year		-	-	(8,819)	24,140	15,321		(12)	15,309
Transactions with owners:									
Dividends declared to shareholders of the Company	22	-	(75,645)	-	-	(75,645)		-	(75,645)
Acquisition of non-controlling interests	23	-	-	-	-	-		(1,006)	(1,006)
At 31 December 2025		14	2,411,438	(1,490,812)	(261,497)	659,143		(12)	659,131

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	29(a)	(105,371)	156,450
Interest received		6,735	10,431
Income tax refunded		4,835	5,307
Net cash (used in)/generated from operating activities		(93,801)	172,188
Cash flows from investing activities			
Purchases of property, plant and equipment	15	(243)	(142)
Purchases of intangible assets	16	(565)	–
Proceeds from disposal of property, plant and equipment		–	64
Dividends from joint venture	14(c)	15,644	–
Net cash used in investing activities		14,836	(78)
Cash flows from financing activities			
Proceeds from borrowings from third parties	29(b)	439,108	327,800
Repayment of borrowings to third parties	29(b)	(406,579)	(350,378)
Interest paid	29(b)	(6,770)	(6,025)
Proceed from non-controlling interests		–	1,450
Dividends paid to shareholders of the Company	22	(75,645)	(37,644)
Payments of lease liabilities	15(b)	(3,831)	(6,567)
Net cash used in financing activities		(53,717)	(71,364)
Net (decrease)/increase in cash and cash Equivalents			
Cash and cash equivalents at beginning of year		438,576	338,397
Effect on exchange rate difference		516	(567)
Cash and cash equivalents at end of year	21	306,410	438,576

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

UNQ Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 31 October 2019 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The principal place of business and head office of the Group in the People’s Republic of China (the “**PRC**”) is located at Room 503, MT Lujiazui Binjiang Center, No. 1436 Puming Road, Pudong New Area, Shanghai, PRC. The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (“**HKEX**”) on 12 July 2021.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in (i) selling goods to customers (“**Sales of Goods Business**”), including Business To Business Model (“**B2B**”) and Business To Consumer Model (“**B2C**”); (ii) the facilitation of brand partners’ online operating services and digital marketing services in the PRC.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2. BASIS OF PREPARATION

(i) Statement of compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards and International Accounting Standards and Interpretations issued by the International Accounting Standards Board (collectively “**IFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”). In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and HKCO Cap. 622.

(ii) Basis of presentation

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors of the Company (the “**Board**”) on 30 March 2026.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

(iii) New and amended standards adopted by the Group

The following new IFRS Accounting Standards and interpretations were adopted by the Company on 1 January 2025.

Amendments to IAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosure about Uncertainties in the Financial Statements

There have been no new IFRS Accounting Standards or International Financial Reporting Interpretations Committee (“**IFRIC**”) interpretations that have a material impact on the Group’s results and financial position for the year ended 31 December 2025. The Group has not early applied any new or amended IFRS Accounting Standards that are not yet effective for the year ended 31 December 2025.

2. BASIS OF PREPARATION (Continued)

(iv) New standards and interpretations not yet adopted

The following new and revised IFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS 9	Classification and Measurement of Financial Instruments ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Annual Improvement	IFRS Accounting Standards – Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²

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

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

The Group has already commenced an assessment of the impact of these new or amended standards which are relevant to the Group's operations. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 Presentation and Disclosures in Financial Statements, which was issued by the International Accounting Standards Board (“IASB”) in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Company is currently evaluating the full impact of IFRS 18 on its financial statement presentation and disclosures. Further updates will be provided as the assessment progresses.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The adoption of IFRS 19 is optional. IFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other IFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to IFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's operational activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

3.1.1 Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Group determines to present its consolidated financial statements in RMB. The Group determines that the functional currency of UNQ Hong Kong Limited ("**UNQ Hong Kong**") is USD and that of UNQ Japan Co., Ltd. ("**UNQ Japan**") is JPY.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB currency units, was as follows:

	As at 31 December 2025					
	USD RMB'000	JPY RMB'000	RMB RMB'000	HKD RMB'000	AUD RMB'000	EUR RMB'000
Cash and cash equivalents	4,844	8,814	14,157	244	11	17
Trade receivables	49	1,471	5,963	42	–	–
Trade payables	(156)	(12,451)	(1,034)	–	–	(586)

	As at 31 December 2024					
	USD RMB'000	JPY RMB'000	RMB RMB'000	HKD RMB'000	AUD RMB'000	EUR RMB'000
Cash and cash equivalents	14,615	4,629	3,144	141	12	533
Trade receivables	206	3,254	17,564	43	–	–
Trade payables	–	(5,431)	–	–	–	(601)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

Foreign exchange risk (Continued)

Exposure (Continued)

The aggregate net foreign exchange losses recognised in profit or loss were:

	2025 RMB'000	2024 RMB'000
Net foreign exchange losses included in other losses (Note 10)	(1,523)	(1,578)

Sensitivity

A 5 percent strengthening of the following currencies against RMB at each period end would have changed post tax profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2025 RMB'000	2024 RMB'000
USD	(118)	232
JPY	(741)	(204)
RMB	1,058	1,035
HKD	(12)	7
AUD	–	(1)
EUR	57	2
	244	1,071

A 5 percent weakening of the above currencies against RMB at 31 December 2025 and 2024 would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other than cash and cash equivalents and financial assets carried at FVPL, the Group has no other significant interest-bearing assets. The Group also has certain bank borrowings and lease liabilities which are entitled to fixed interest rates. Those carried at variable rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

Credit risk arises from cash and cash equivalents and restricted cash, trade and other receivables and financial guarantees. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(a) *Impairment*

(i) Cash and cash equivalents and restricted cash

The Group expects that there is no significant credit risk associated with cash and cash equivalents and restricted cash, which were held by reputable financial institutions in the jurisdictions where the Company and its subsidiaries are located. The Group believes that it is not exposed to unusual risks as these financial institutions have high credit quality.

(ii) Trade receivables

The Group's main customers are e-commerce platforms with high reputation in China. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(ii) Trade receivables (Continued)

The Group has concentration of credit risk in relation to trade and other receivables, with exposure spread over a number of counterparties and customers.

On that basis, the top five of trade receivables as at 31 December 2025 and 2024 were determined as follows:

Top five debtors	Amount of gross trade receivables as of 31 December 2025 (RMB'000)	Approximate % of total gross trade receivables as of 31 December 2025	Revenue derived from debtor in 2025 (RMB'000)	Approximate % of total revenue in 2025
1st debtor	53,641	39%	-	-
2nd debtor	12,924	10%	6,729	1%
3rd debtor	9,789	7%	36,852	3%
4th debtor	9,505	7%	49,561	3%
5th debtor	6,530	5%	390,149	30%
Total of top five debtors	92,389	68%	483,291	37%
Other debtors	43,516	32%	809,604	63%
Total	135,905	100%	1,292,895	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) Impairment (Continued)

(ii) Trade receivables (Continued)

Top five debtors	Amount of gross trade receivables as of 31 December 2024 (RMB'000)	Approximate % of total gross trade receivables as of 31 December 2024	Revenue derived from debtor in 2024 (RMB'000)	Approximate % of total revenue in 2024
1st debtor	61,209	36%	66	–
2nd debtor	46,314	28%	444,436	33%
3rd debtor	14,722	9%	40,408	3%
4th debtor	13,661	8%	79,927	6%
5th debtor	2,335	1%	–	–
Total of top five debtors	138,241	82%	564,837	42%
Other debtors	30,998	18%	783,563	58%
Total	169,239	100%	1,348,400	100%

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) Impairment (Continued)

(ii) Trade receivables (Continued)

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To determine if there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default as at the date of initial recognition. This assessment takes into account available reasonable and supportable forward-looking information, particularly considering the following indicators:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- actual or expected significant changes in the operating results of customers
- significant changes in the expected performance and behaviour of the customers, including changes in the payment status

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, utilising a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and aging according to invoice dates.

The expected loss rates are derived from the payment profiles of sales, with corresponding historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and CPI of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Additionally, the Group performs the detail expected credit loss ("ECL") assessment on individual debtor assessment when significant credit risk is identified due to financial distress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) Impairment (Continued)

(ii) Trade receivables (Continued)

On that basis, the loss allowance of trade receivables as at 31 December 2025 and 2024 was determined as follows:

	Up to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
As at 31 December 2025					
Collectively assessed					
Expected loss rate	1.36%	10.99%	N/A	100.00%	
Gross carrying amount (RMB'000)	76,139	1,910	-	2,512	80,561
Loss allowance provision (RMB'000)	(1,037)	(210)	-	(2,512)	(3,759)
Individually assessed					
Gross carrying amount (RMB'000)					55,344
Loss allowance provision (RMB'000)					(48,509)
Total gross carrying amount (RMB'000)					135,905
Total loss allowance provision (RMB'000)					(52,268)

	Up to 3 months	3 to 6 months	6 months to 1 year	Over 1 year	Total
As at 31 December 2024					
Collectively assessed					
Expected loss rate	0.78%	2.26%	4.17%	100.00%	
Gross carrying amount (RMB'000)	100,065	3,680	168	4,033	107,946
Loss allowance provision (RMB'000)	(781)	(83)	(7)	(4,033)	(4,904)
Individually assessed					
Gross carrying amount (RMB'000)					61,293
Loss allowance provision (RMB'000)					(37,338)
Total gross carrying amount (RMB'000)					169,239
Total loss allowance provision (RMB'000)					(42,242)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(ii) Trade receivables (Continued)

The loss allowance for trade receivables as at 31 December reconciles to the opening loss allowances as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	42,242	31,771
Charge for the year		
– charge to profit or loss	10,018	10,471
– exchange differences	8	–
	52,268	42,242

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(iii) Other receivables and financial guarantees

Other receivables mainly comprise amounts due from related parties, rebates from vendors, deposits and other receivables. The directors of the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis during the years ended 31 December 2025 and 2024. To determine if there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

Additionally, a significant increase in credit risk is presumed if a debtor is more than 30 days past due on a contractual payment or repayable demand.

A default on a financial asset occurs when the counterparty fails to make contractual payments or repayments demanded within 90 days of their due date.

The Group accounts for its credit risk by providing for expected credit losses in a timely manner. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(iii) Other receivables and financial guarantees (Continued)

Financial guarantees mainly comprise guarantee provided to a related party, Shanghai Xuyi Industry Co., Ltd. (“**Shanghai Xuyi**”). The Group evaluated the distribution of expected cash flows of the financial guarantees under multiple scenarios based on experience of historical credit loss, current situations and forecasts of future conditions of contract counterparties, and made corresponding provision for loss allowance by applying several significant assumptions, including the cancelation or settlement of the financial guarantees and their related probabilities which are the major consideration to determine the exposures at default, the expected loss rates, and the associated probability weight under different scenarios.

The Group uses three categories for other receivables and financial guarantees which reflect their credit risk and how the expected credit loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group’s expected credit loss model is as follow:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage one	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage two	Receivables and financial guarantees for which there is a significant increase in credit risk; receivables that are more than 30 days past due in making a contractual payment or repayable on demand	Lifetime expected credit losses
Stage three	Receivables for which the counterparty fails to make contractual payments or repayable on demand within 90 days of when they fall due	Lifetime expected credit losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) Impairment (Continued)

(iii) Other receivables and financial guarantees (Continued)

The loss allowance of other receivables as at 31 December 2025 and 2024 was determined as follows:

	Stage one	Stage two	Stage three	Total
As at 31 December 2025				
Gross carrying amount (RMB'000)	115,479	1,718	274	117,471
Loss allowance provision (RMB'000)	(1,396)	(350)	(274)	(2,020)
As at 31 December 2024				
Gross carrying amount (RMB'000)	107,610	158	3,000	110,768
Loss allowance provision (RMB'000)	(1,492)	–	(2,400)	(3,892)

The loss allowance for other receivables as at 31 December reconciles to the opening loss allowances as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	3,892	3,123
Reversal for the year		
– charge to profit or loss	158	798
– Write-off for the year	(2,030)	–
– exchange differences	–	(29)
	2,020	3,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(iii) Other receivables and financial guarantees (Continued)

The loss allowance of financial guarantees as at 31 December 2025 and 2024 was determined as follows:

	Stage one	Stage two	Stage three	Total
As at 31 December 2025				
Gross carrying amount (RMB'000)	-	47,500	-	47,500
Loss allowance provision (RMB'000)	-	(9,134)	-	(9,134)
As at 31 December 2024				
Gross carrying amount (RMB'000)	-	48,000	-	48,000
Loss allowance provision (RMB'000)	-	(6,375)	-	(6,375)

Detailed information about the financial guarantees is set out in Note 30.

The loss allowance for financial guarantees as at 31 December reconciles to the opening loss allowances as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	6,375	6,375
Reversal for the year	-	(6,375)
Charge for the year	2,759	6,375
At end of year	9,134	6,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Cash flow and fair value interest rate risk (Continued)

(a) *Impairment (Continued)*

(iii) Other receivables and financial guarantees (Continued)

Impairment losses on other receivables are presented as net impairment losses on financial assets within operating loss. Impairment losses on financial guarantees are presented as other losses (Note 10) within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) The Group's allowance for impairment of trade and other receivables and financial guarantees charged to profit or loss are summarised as follows:

	2025 RMB'000	2024 RMB'000
Trade receivables	10,018	10,471
Other receivables	158	798
Financial guarantees	2,759	–
	12,935	11,269

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a debtor's failure to engage in a repayment plan with the Group and a failure to make contractual payments for more than 360 days past due.

No significant changes to estimation techniques or assumptions were made during the years ended 31 December 2025 and 2024.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount (discounted) RMB'000	Contractual maturities (undiscounted)			Total RMB'000
		Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	
As at 31 December 2025					
Non-derivatives					
– Trade and other payables (excluding accrued payroll and other taxes payable)	109,074	109,074	–	–	109,074
– Loans and borrowings	232,927	225,253	5,310	4,999	235,562
– Lease liabilities	6,606	3,223	2,323	1,376	6,922
Total non-derivatives	348,607	337,550	7,633	6,375	351,558

	Carrying amount (discounted) RMB'000	Contractual maturities (undiscounted)			Total RMB'000
		Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	
As at 31 December 2024					
Non-derivatives					
– Trade and other payables (excluding accrued payroll and other taxes payable)	218,396	218,396	–	–	218,396
– Loans and borrowings	200,398	172,182	25,868	3,278	201,328
– Lease liabilities	4,068	4,062	436	–	4,498
Total non-derivatives	422,862	394,640	26,304	3,278	424,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

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

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital (including share capital and share premium) by regularly reviewing its capital structure based on the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is determined as total borrowings (including "borrowings" and "lease liabilities" as shown in the consolidated balance sheet) minus cash and cash equivalents. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. The directors of the Company believe that the Group's capital risk is not high.

The gearing ratios at 31 December 2025 and 2024 of the Group were as follows:

	2025 RMB'000	2024 RMB'000
Net cash	(66,877)	(234,110)
Total equity	659,131	720,473
Gearing ratio	N/A	N/A

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(i) Fair value hierarchy

Financial instruments carried at fair value or for which fair value is disclosed, can be categorised by levels of the inputs used in the valuation techniques for measuring fair value. These inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. (i.e., the same type of asset or liability that can be bought or sold in active markets).

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., as derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Assets				
– Investment in a private fund	–	–	28,607	28,607
As at 31 December 2024				
Assets				
– Investment in a private fund	–	–	34,864	34,864

The Group's financial assets at fair values included investment in a private fund, fair value of which is estimated based on unobservable inputs (level 3).

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year ended 31 December 2025 (2024: nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes in valuation techniques during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 2024:

	Financial assets at FVPL Investment in a private fund RMB'000
Opening balance as at 1 January 2025	34,864
Loss for the year recognised in profit or loss (<i>Note 10</i>)	(5,487)
Exchange difference	(770)
Closing balance as at 31 December 2025	28,607
Net unrealised loss for the year	(5,487)
Opening balance as at 1 January 2024	35,414
Loss for the year recognised in profit or loss (<i>Note 10</i>)	(1,068)
Exchange difference	518
Closing balance as at 31 December 2024	34,864
Net unrealised loss for the year	(1,068)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (Continued)

As of 31 December 2025, the fair value of the shares held by the Group was USD4,070,000 (equivalent to RMB28,607,000), compared to USD4,850,000 (equivalent to RMB34,864,000) as of 31 December 2024.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, restricted cash, trade and other receivables and financial liabilities, including borrowings, lease liabilities, trade and other payables approximate their fair values due to their short maturities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Gross or net assessment in revenue recognition

The Group sells goods to customers, provides online operating service and digital marketing service using different business models. This involves the assessment of revenue recognition on a gross or net basis, specifically the principal versus agent assessment. The Group adheres to the accounting guidance for principal-agent considerations to determine whether the Group controls the specified goods or services before they are transferred to the customers. Key indicators include but are not limited to: (i) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (ii) whether the entity bears inventory risk before the specified service has been transferred to a customer; and (iii) whether the entity has discretion in establishing the prices for the specified goods or service. Management considers the above factors collectively, as none of the indicators are considered presumptive or determinative on their own. Judgment is applied when assessing the indicators depending on each different circumstance.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Allowance on doubtful receivables and financial guarantees

The Group establishes allowances on receivables and financial guarantees based on assumptions about risk of default and expected credit loss rates. The process involves judgment in forming these assumptions and selecting inputs for the impairment calculation, considering the Group's historical experience, current market conditions as well as forward looking estimates at the end of each reporting period.

When the expectation differs from the original estimate, such difference will affect the carrying amount of trade and other receivables and financial guarantees and loss allowance in the year in which the estimate is changed. For details of the key assumptions and inputs used, see Note 3.1.2 above.

(c) Provision for inventories

Inventories, consisting of goods available for sale, are valued at the lower of cost or net realisable value. The cost of inventories is determined using the weighted average cost method. This valuation involve management judgments based on currently available information, about the likely method of disposition and expected recoverable values of each disposition category. Inventory provision is made for valuation of inventory at the lower of cost or net realisable value, which is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Additionally, provisions for inventories are generally reserved based on aging over specific periods. Inventory provisions are charged to cost of goods.

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC, Hong Kong and Japan. Judgements are required in determining the amount of the provision for taxation and the timing of payment of the related taxations. Various transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from initially recorded amounts, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. SEGMENT INFORMATION

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer. The CODM reviews the consolidated results of the Group as a whole when making decisions about allocating resources and assessing performance of the Group. As a result, no segment information is presented for the years ended 31 December 2025 and 2024.

The Group mainly operates in the PRC. As at 31 December 2025 and 2024, most of the Group's non-current assets were located in the PRC, and most of the Group's revenue are derived from the PRC.

6. REVENUE AND COST OF REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue mainly comprises proceeds from sales of goods and services such as online operating and digital marketing. An analysis of the Group's revenue and cost of sales by category for the years ended 31 December 2025 and 2024 is as follows:

	Timing of recognition	Year ended 31 December			
		2025		2024	
		Revenue RMB'000	Cost of revenue RMB'000	Revenue RMB'000	Cost of revenue RMB'000
Sales of goods					
– B2B	At a point in time	656,100	574,520	649,007	551,959
– B2C	At a point in time	633,150	282,618	687,817	389,154
Provision of services	Over time	3,645	652	11,576	2,592
		1,292,895	857,790	1,348,400	943,705

During the years ended 31 December 2025 and 2024, the revenue derived from external customers that accounted for more than 10% of total revenue are set out below.

	2025 RMB'000	2024 RMB'000
Customer A	390,149	444,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REVENUE AND COST OF REVENUE (Continued)

(b) Liabilities related to contracts with customers

The Group has recognised the following revenue-related contract liabilities:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities		
– Third parties	1,943	7,015

(i) Changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the goods/services are yet to be delivered.

The movement of the Group's contract liabilities are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Balance, beginning of year	7,015	521
Revenue recognised that was included in the opening balance	(7,015)	(521)
Increase due to trade deposit received, excluding amount recognised as revenue during the year	1,943	7,015
Balance, end of year	1,943	7,015

(ii) Unsatisfied performance obligations

The Group has elected the practical expedient for not to disclose the remaining performance obligations because the performance obligation is part of a contract that has an original expected duration of one year or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. REVENUE AND COST OF REVENUE (Continued)

(b) Liabilities related to contracts with customers (Continued)

(iii) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2025 and 2024, commission paid to e-commerce platforms, which are considered as incremental costs of obtaining a contract. The Group has applied the practical expedient, recognising these commission expenses as incurred because the amortisation period of the asset is less than one year.

7. OTHER INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	255	721

Government grants mainly consisted of financial subsidies with no condition attached granted by the local governments.

8. PROFIT BEFORE TAX

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Inventories recognised as expense	855,292	958,736
Provision/(reversal of) for inventories (Note 18)	1,846	(17,624)
Employee benefit expenses (Note 9)	68,056	93,597
Depreciation charges (Note 15)		
– Property, plant and equipment	402	708
– Right-of-use assets	4,392	4,728
Amortisation charges (Note 16)	363	209
Auditors' remuneration		
– Audit services	2,200	2,120
– Non-audit service	–	80
Short-term lease payments (Note 15(b))	40	140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

9. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	40,921	56,317
Pension costs – defined contribution plans (a)	5,387	6,237
Bonuses	12,651	15,451
Social insurance expenses	3,980	5,748
Housing benefits	3,464	4,128
Termination benefits	1,653	5,716
	68,056	93,597

(a) Pensions – defined contribution plans

During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contributions for the current year (2024: nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included 3 (2024: 3) directors whose emoluments are reflected in the analysis shown in Note 33.

The emoluments payable to the remaining 2 (2024: 2) individuals during the year are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages and salaries	929	3,346
Bonuses	661	772
Contribution to pension scheme	147	228
Other social security costs, housing benefits and other employee benefits	247	225
	1,984	4,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

9. EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individuals	
	Year ended 31 December	
	2025	2024
Emolument bands (in HKD)		
Nil–1,000,000	1	–
1,000,001–1,500,000	1	–
1,500,001–2,000,000	–	1
More than 2,000,000	–	1
	2	2

10. OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net foreign exchange losses (<i>Note 3.1.1</i>)	(1,523)	(1,578)
Loss on written off property, plant and equipment	(66)	–
Loss on disposal of property, plant and equipment	–	(74)
Loss on disposal of subsidiary	(18)	–
Fair value loss on financial assets at FVPL (<i>Note 3.3(iii)</i>)	(5,487)	(1,068)
Others	(309)	301
	(7,403)	(2,419)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11. FINANCE COSTS – NET

(a) Finance income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Bank interest income	6,735	10,410

(b) Finance costs

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expense on borrowings (Note 24(f))	(6,621)	(5,769)
Interest expense on lease liabilities (Note 15(b))	(149)	(233)
	(6,770)	(6,002)

12. INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax	7,035	(1,758)
Deferred income tax (Note 26)	(5,033)	7,102
	2,002	5,344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX EXPENSES (Continued)

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the notional tax rate applicable to profits of the group entities as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	26,130	41,815
- Notional tax on profit before income tax	6,532	10,454
- Tax effect of difference in overseas tax rates	(1,298)	(2,827)
- Tax effect of other non-deductible expenses	283	2,551
- Tax effect of non-taxable investment income	-	(4,899)
- Tax effect of temporary difference	3,289	-
- Tax effect of unrecognised tax losses	4,459	384
- Utilised tax losses	(11,263)	-
- Others	-	(319)
Income tax expense	2,002	5,344

No deferred tax liabilities on profits relating to investments accounted for using equity method.

As at 31 December 2025 and 2024, the Group has not recognised deferred tax liabilities in respect of undistributed retained earnings of RMB81,254,004 and RMB12,084,000, respectively, from Group's PRC subsidiaries. The Group does not have any profit distribution plan on its PRC subsidiaries, and intends to remain their retained earnings undistributed for daily operation and expansion of business in the PRC. Accordingly, no deferred income tax liability on withholding tax was accrued as at 31 December 2025 and 2024.

As at 31 December 2025 and 2024, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB9,982,000 and RMB15,696,000, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from year of occurrence under current tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX EXPENSES (Continued)

Expiry year	Unused tax losses for which no deferred tax asset was recognised	
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Expiring in year 2025	–	3,034
Expiring in year 2026	707	3,999
Expiring in year 2027	4,273	5,087
Expiring in year 2028	2,650	2,650
Expiring in year 2029	926	926
Expiring in year 2030	1,426	–
	9,982	15,696

(i) Cayman Islands corporate income tax

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain.

(ii) Hong Kong profits tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the years presented. Provision for Hong Kong profits tax was made on the assessable profits of entities within the Group incorporated in Hong Kong.

(iii) Japan corporate income tax

Entities incorporated in Japan are subject to Japan corporate income tax at an effective statutory tax rate of approximately 30%.

(iv) PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

12. INCOME TAX EXPENSES (Continued)

(v) PRC withholding Tax (“WHT”)

According to the New Corporate Income Tax Law (“**New CIT Law**”), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on if the foreign investor is considered as the beneficial owner of the dividend according to the double tax treaty (agreement) between China and the jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies. During the year ended 31 December 2025, the Group had no profit distribution on its PRC subsidiaries (2024: nil).

(vi) Pillar Two income taxes

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“**Pillar Two Model Rules**”) for a new global minimum tax reform applicable to large multinational enterprises. The Group operates in jurisdictions where the Pillar Two Model Rules have either been enacted or are already effective. However, as the Group’s estimated effective tax rates of all jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Model Rules based on management’s best estimate, the directors of the Company considered the Group is not liable to top-up tax under the Pillar Two Model Rules.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

13. EARNINGS PER SHARE

Basic earnings per share for the years ended 31 December 2025 and 2024 are calculated by dividing the earnings attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 December	
	2025	2024
Net earnings attributable to the owners of the Company (RMB’000)	24,140	37,892
Weighted average number of ordinary shares	165,894,700	165,894,700
Basic earnings per share (expressed in RMB per share)	0.15	0.23

For the years ended 31 December 2025 and 2024, the Company had no dilutive potential ordinary shares and therefore diluted earnings per share is equivalent to basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Amounts recognised in the consolidated balance sheet

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investments accounted for using equity method		
– Joint ventures	4,211	3,673
– Associates	2,608	–
	6,819	3,673

Amounts recognised in the consolidated statement of comprehensive income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share of net profit/(loss) of associates and joint ventures accounted for using equity method – net		
– Joint ventures	957	9,802
– Associates	2,692	(235)
	3,649	9,567
Share of other comprehensive losses of joint ventures accounted for using equity method – net		
– Joint ventures	(386)	(2,463)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

(a) Investment in joint ventures

Entity	Investing date	Operating region	Share of the invested company As at 31 December	
			2025	2024
UNQ International (HK) Limited	November 2015	Hong Kong	50%	50%
Shanghai Qu Yi Cosmetics Co., Ltd (“Qu Yi”)*	October 2022	The PRC	N/A	–

* On 1 February 2024, the Company acquired additional 11% of interest for a cash consideration. The acquisition of additional 11% interest results in Qu Yi becoming a subsidiary which reflected in consolidated financial statements for the year ended 31 December 2025 and 2024.

(b) Investment in associates

Entity	Investing date	Operating region	Share of the invested company As at 31 December	
			2025	2024
Shanghai Xuyi	August 2018	The PRC	30%	30%
Shanghai Lieyang Shuojin Culture Media Co., Ltd.	March 2023	The PRC	–	25%
Shanghai Pujian Brand Management Co., Ltd	January 2025	The PRC	40%	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

(c) Movement in joint ventures and associates

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At the beginning of the year	3,673	16,637
Addition	405	71
Share of profit for the year	3,649	9,567
Dividends receivable	(522)	(20,139)
Share of other comprehensive loss of a joint venture	(386)	(2,463)
At the end of the year	6,819	3,673

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment (a)	419	644
Right-of-use assets (b)	7,413	4,512
	7,832	5,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Property, plant and equipment

	Vehicles RMB'000	Office and other equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2025				
Opening net book amount	111	210	323	644
Additions	-	117	126	243
Written off	-	(66)	-	(66)
Depreciation charge	(102)	(18)	(282)	(402)
Closing net book amount	9	243	167	419
As at 31 December 2025				
Cost	990	5,450	1,470	7,910
Accumulated depreciation	(981)	(5,207)	(1,303)	(7,491)
Net book amount	9	243	167	419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Property, plant and equipment (Continued)

	Vehicles RMB'000	Office and other equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2024				
Opening net book amount	297	646	405	1,348
Additions	–	41	101	142
Disposals	–	(138)	–	(138)
Depreciation charge	(186)	(339)	(183)	(708)
Closing net book amount	111	210	323	644
As at 31 December 2024				
Cost	990	5,399	1,344	7,733
Accumulated depreciation	(879)	(5,189)	(1,021)	(7,089)
Net book amount	111	210	323	644

(i) Depreciation methods and useful lives

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased property, plant and equipment, the shorter lease term as follows:

- Vehicles 4-5 years
- Office and other equipment 3-5 years
- Leasehold improvements Shorter of the term of the lease or the estimated useful lives of the assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(a) Property, plant and equipment (Continued)

- (ii) Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Selling and marketing expenses	23	13
Administrative expenses	379	695
	402	708

(b) Right-of-use assets and lease

- (i) Amounts recognised in the consolidated balance sheet

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Right-of-use assets		
Properties	7,413	4,512
Lease liabilities		
Current	(3,029)	(3,795)
Non-current	(3,577)	(273)
	(6,606)	(4,068)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(b) Right-of-use assets and lease (Continued)

(i) Amounts recognised in the consolidated balance sheet (Continued)

The movements of right-of-use assets are listed below:

	Properties RMB'000
Year ended 31 December 2025	
Opening net book amount	4,512
Additions	8,318
Termination	(1,025)
Depreciation for the year	(4,392)
Closing net book amount	7,413
As at 31 December 2025	
Cost	22,042
Accumulated depreciation	(14,629)
Net book amount	7,413
Year ended 31 December 2024	
Opening net book amount	9,135
Additions	105
Depreciation for the year	(4,728)
Closing net book amount	4,512
As at 31 December 2024	
Cost	14,749
Accumulated depreciation	(10,237)
Net book amount	4,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

(b) Right-of-use assets and lease (Continued)

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Properties	4,392	4,728
Interest expense (included in finance costs) (Note 11)	149	233
Short-term lease payments (Note 8)	40	140

The total cash outflow for leases for the years ended 31 December 2025 and 2024 were RMB3,831,000 and RMB6,567,000, respectively.

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

The Group leases properties as lessee. Rental contracts are typically made for fixed periods of 2 to 3 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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

See Note 36.15 for the other accounting policies relevant to leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INTANGIBLE ASSETS

	Computer Software RMB'000
Year ended 31 December 2025	
Opening net book amount	1,616
Addition	565
Amortisation	(363)
Closing net book amount	1,818
As at 31 December 2025	
Cost	3,319
Accumulated amortisation	(1,501)
Net book amount	1,818
Year ended 31 December 2024	
Opening net book amount	1,825
Amortisation	(209)
Closing net book amount	1,616
As at 31 December 2024	
Cost	2,754
Accumulated amortisation	(1,138)
Net book amount	1,616

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. INTANGIBLE ASSETS (Continued)

Amortisation of intangible assets has been charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Selling and marketing expenses	3	–
Administrative expenses	360	209
	363	209

(i) Computer software

Acquired computer software programs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

17. FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial asset at amortised cost		
Trade and other receivables (Note 20)	199,088	233,873
Restricted cash (Note 21)	50,069	51,875
Cash and cash equivalents (Note 21)	306,410	438,576
	555,567	724,324
Financial assets at FVPL (Note 3.3)	28,607	34,864
	584,174	759,188
Financial liabilities at amortised cost		
Borrowings (Note 24)	232,927	200,398
Trade and other payables (excluding accrued payroll and other taxes payable) (Note 25)	109,074	218,396
Lease liabilities (Note 15(b))	6,606	4,068
	348,607	422,862

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

18. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Merchant goods	299,853	272,852
Less: provision	(9,562)	(7,866)
	290,291	264,986

Movements on the Group's allowance for provision of inventories are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At beginning of year	7,866	26,932
Charge for the year		
– charge/(credit) to profit or loss	1,846	(17,624)
– exchange differences	(150)	(273)
Write-off for the year	–	(1,169)
At end of year	9,562	7,866

19. OTHER CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Value added tax (“VAT”) recoverable	60,953	60,704
Third party prepayments	24,330	17,639
Consumption tax refund receivable	1,973	2,437
Prepaid CIT expenses	9,986	13,080
Others	4,585	3,426
	101,827	97,286

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
– Related parties (<i>Note 32(d)</i>)	53,641	61,209
– Third parties	82,264	108,030
	135,905	169,239
Less: allowance for impairment of trade receivables	(52,268)	(42,242)
	83,637	126,997
Other receivables		
– <i>Related parties</i>		
(i) Others (<i>Note 32(d)</i>)	11,100	2,663
(ii) Dividends receivables from a joint venture	4,495	20,139
– <i>Third parties</i>		
(i) Rebate receivables	75,262	56,465
(ii) Deposits	9,367	12,690
(iii) Refunds receivable	–	1,606
(iv) Unwithdrawn balance on platform	9,817	6,404
(v) Loan to a third party (a)	363	–
(vi) Interest receivable	266	1,468
(vii) Payment paid on behalf	2,136	–
(viii) Others	4,665	9,333
	117,471	110,768
Less: allowance for impairment of other receivables	(2,020)	(3,892)
	115,451	106,876
Total trade and other receivables	199,088	233,873

(a) The loan to a third party is due within one year at interest rate of 6% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

Sales of goods under lump sum basis are received in accordance with the terms of the relevant agreements. Sales income is due for payment by the customer upon the issuance of invoices.

For provision of services, customers are generally given a credit term up to 90 days.

As at 31 December 2025 and 2024, the ageing analysis of the gross trade receivables based on invoice date was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	76,148	100,922
3 to 6 months	1,910	3,868
6 months to 1 year	62	223
Over 1 year	57,785	64,226
	135,905	169,239

As at 31 December 2025 and 2024, the ageing analysis of gross other receivables based on due date with no current category of ageing amount was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	93,032	107,610
3 to 6 months	1,479	158
6 months to 1 year	22,960	3,000
	117,471	110,768

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days after acceptance of delivery. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.1.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash at bank and on hand	248,986	259,204
Other monetary funds	57,424	179,372
	306,410	438,576
Restricted cash (a)	50,069	51,875
	356,479	490,451

- (a) Restricted cash consisted primarily of (i) bank guarantee deposits of RMB47,500,000 (2024: RMB48,000,000) provided by UNQ (Shanghai) Supply Chain Management Co., Ltd. (優趣匯(上海)供應鏈管理有限公司, "UNQ Supply Chain"), a subsidiary of the Company, as at 31 December 2025, which were pledged for Shanghai Xuyi's bank loan of RMB47,500,000 (2024: RMB46,000,000) from Industrial Bank Co., Ltd. (Note 30) and (ii) online stores guarantee bank deposits required by e-commerce platforms.

22. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Equivalent value of ordinary shares RMB'000	Share premium RMB'000
Issued:			
As at 1 January 2024	165,894,700	14	2,524,727
Dividends declared to shareholders of the Company (Note 27)	-	-	(37,644)
As at 31 December 2024	165,894,700	14	2,487,083
As at 1 January 2025	165,894,700	14	2,487,083
Dividends declared to shareholders of the Company (Note 27)	-	-	(75,645)
As at 31 December 2025	165,894,700	14	2,411,438

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23. OTHER RESERVES

	Capital reserve ⁽ⁱ⁾ RMB'000	Statutory reserve ⁽ⁱⁱ⁾ RMB'000	Foreign currency translation reserve ⁽ⁱⁱⁱ⁾ RMB'000	Total other reserves RMB'000
As at 1 January 2024	(1,480,570)	676	4,961	(1,474,933)
Foreign currency translation	–	–	(5,612)	(5,612)
Acquisition of non-controlling interests	(1,448)	–	–	(1,448)
As at 31 December 2024	(1,482,018)	676	(651)	(1,481,993)
As at 1 January 2025	(1,482,018)	676	(651)	(1,481,993)
Foreign currency translation	–	–	(8,819)	(8,819)
As at 31 December 2025	(1,482,018)	676	(9,470)	(1,490,812)

(i) Capital reserves

The balance primarily represents reserve surplus/deficit arising from the difference between the deemed consideration and the corresponding net assets value at the respective date of the transactions with owners in their capacity as the equity owners pursuant to the reorganisation project.

(ii) Statutory reserves

The balance is reserved by the subsidiaries of the Group in accordance with the relevant PRC regulations. The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holder. All statutory reserves are set aside for specific purposes. PRC incorporated company is required to appropriate 10% of statutory net profits to statutory surplus reserves, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's production operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(iii) Foreign exchange reserve

The balance represents the exchange differences on translation of the foreign operations into presentation currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
<i>Secured or guaranteed</i>		
– Bank loans (a)		
– Current	189,678	168,000
– Current portion of non-current	–	2,244
– Non-current (d)	–	4,004
– Corporate bonds (b)		
– Current portion of non-current	672	1,849
– Non-current (d)	–	693
	190,350	176,790
<i>Unsecured</i>		
– Bank loans (c)		
– Current	3,359	–
– Current portion of non-current	6,779	–
– Non-current (d)	10,041	491
– Loans from other financial institutions (c)		
– Current portion of non-current	22,398	–
– Non-current (d)	–	23,117
	42,577	23,608
Total borrowings	232,927	200,398

As at 31 December 2025 and 2024, the Group's borrowings were repayable as follows:

	Bank loans		Other loans	
	As at 31 December		As at 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	199,816	170,244	23,070	1,849
Between 1 and 2 years	5,182	1,417	–	23,810
Between 2 and 5 years	4,859	3,078	–	–
	209,857	174,739	23,070	25,659

24. BORROWINGS (Continued)

- (a) As at 31 December 2025, secured or guaranteed borrowings were as below:
- (i) Borrowings of RMB162,800,000 were guaranteed by the Company and its subsidiaries (2024: RMB168,000,000);
 - (ii) Borrowings of JPY600,000,000 (equivalent to RMB26,878,000) were guaranteed by other financial institutions (2024: JPY135,129,000 (equivalent to RMB6,248,000)).
- (b) On 29 May 2020, UNQ Japan issued five-year corporate bond of JPY100,000,000 (equivalent to RMB6,580,800), with guarantee by a commercial bank. As at 31 December 2025, the remaining balance of the bond was nil (2024: JPY10,000,000 (equivalent to RMB462,000)).

On 30 April 2021, UNQ Japan issued five-year corporate bond of JPY150,000,000 (equivalent to RMB8,312,000), with guarantee by one other financial institution. As at 31 December 2025, the remaining balance of the bond was JPY15,000,000 (equivalent to RMB672,000) (2024: JPY45,000,000 (equivalent to RMB2,080,000)).

- (c) As at 31 December 2025, unsecured borrowings of JPY450,440,000 (equivalent to RMB20,179,000) (2024: JPY10,696,000 (equivalent to RMB491,000)) were from commercial banks and unsecured borrowings of JPY500,000,000 (equivalent to RMB22,398,000) (2024: JPY500,000,000 (equivalent to RMB23,117,000)) were from other financial institutions and unsecured.
- (d) The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related loans balances as non-current.
- (e) As at 31 December 2025 and 2024, the Group's borrowings carried weighted average interest rates of 2.84% and 2.45% per annum, respectively.
- (f) Interest expenses were RMB6,621,000 and RMB5,769,000 for the years ended 31 December 2025 and 2024, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables		
– Related parties (Note 32(d))	4,736	4,658
– Third parties	74,884	175,015
	79,620	179,673
Other payables		
– Related parties (Note 32(d))	–	347
– Third parties	29,248	38,120
	29,248	38,467
Accrued payroll	14,241	21,345
Other taxes payables	2,586	6,539
Interest payables	206	256
	125,901	246,280

Trade payables are unsecured and are usually paid within 90 days of recognition. Where trade payables are settled via electronic cash transfer, they are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25. TRADE AND OTHER PAYABLES (Continued)

As at 31 December 2025 and 2024, the ageing analysis of the trade payables based on invoice date was as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	43,003	44,005
3 to 6 months	15,304	135,668
6 to 12 months	–	–
Over 12 months	21,313	–
	79,620	179,673

26. DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets:		
– Deferred tax assets to be recovered after more than 12 months	35,561	34,820
– Deferred tax assets to be recovered within 12 months	28,965	24,356
	64,526	59,176
Deferred tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(1,046)	(278)
– Deferred tax liabilities to be recovered within 12 months	(807)	(850)
	(1,853)	(1,128)
Net deferred tax assets (a)	62,673	58,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26. DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the years ended 31 December 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – allowance on doubtful debts RMB'000	Deferred tax assets – provision for inventories RMB'000	Deferred tax assets – lease liabilities RMB'000	Deferred tax assets – tax losses RMB'000	Deferred tax assets – Provision of financial guarantees RMB'000	Deferred tax liabilities – right-of-use assets RMB'000	Deferred tax assets – others RMB'000	Total RMB'000
As at 1 January 2025	5,892	17,435	1,017	34,500	-	(1,128)	332	58,048
Charge to profit or loss	3,328	394	635	473	-	(725)	928	5,033
Disposal of subsidiaries	-	-	-	(77)	-	-	-	(77)
Exchange differences	(7)	(95)	-	(229)	-	-	-	(331)
As at 31 December 2025	9,213	17,734	1,652	34,667	-	(1,853)	1,260	62,673
As at 1 January 2024	8,706	4,899	2,270	37,343	1,594	(2,284)	111	52,639
Charge to profit or loss	(2,814)	12,536	(1,253)	(15,354)	(1,594)	1,156	221	(7,102)
Exchange differences	-	-	-	12,511	-	-	-	12,511
As at 31 December 2024	5,892	17,435	1,017	34,500	-	(1,128)	332	58,048

- (a) The Group only offsets deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities related to income taxes levied by the same tax authority on same tax payee.

27. DIVIDENDS

In accordance with a resolution of the Board meeting dated 29 August 2025, the Board resolved, no interim dividend was declared for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.25 per share). The 2024 interim dividend was paid out of the share premium of the Company on 26 September 2024.

In accordance with the resolution of the Board meeting dated 30 March 2026, the Board proposed to declare a final dividend of HK\$0.25 per share to the shareholders in respect of the year ended 31 December 2025 (2024: HK\$0.50 per share), totalling HK\$41,473,675 (equivalent to RMB36,542,000) (2024: HK\$82,947,350 (equivalent to RMB75,872,000)). The final dividend will be paid out of the share premium of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. The proposed final dividend is not recorded as liability in the consolidated financial statements for the year ended 31 December 2025.

The 2024 final dividend was paid out of the share premium of the Company on 16 July 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

28. CURRENT TAX LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
CIT payables	19,792	5,344

29. CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before income tax	26,130	41,815
Adjustments for:		
– Depreciation of property, plant and equipment and leases (Note 15)	4,794	5,436
– Amortisation of intangible assets (Note 16)	363	209
– Allowance for impairment of trade and other receivables (Note 3.1.2(b))	10,175	11,269
– Provision/(reversal of) for inventories (Note 18)	1,846	(17,624)
– Allowance for financial guarantees (Note 3.1.2(b))	2,759	–
– Net losses on disposal of property, plant and equipment (Note 10)	–	74
– Net losses on written off property, plant and equipment (Note 10)	66	–
– Fair value loss on financial assets at FVPL (Note 10)	5,487	1,068
– Share of net profit of associates and joint ventures (Note 14)	(3,649)	(9,567)
– Loss on disposal of subsidiary	18	–
– Finance income (Note 11)	(6,735)	(10,410)
– Finance costs (Note 11)	6,770	6,002
– Others	(334)	(518)
	47,690	27,754
Changes in working capital:		
– Inventories	(27,151)	32,208
– Other current assets	(4,541)	28,928
– Trade and other receivables	6,206	(2,895)
– Restricted cash	1,806	600
– Contract liabilities	(5,072)	6,494
– Trade and other payables	(124,309)	63,361
	(105,371)	156,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29. CASH FLOW INFORMATION (Continued)

(b) Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Borrowings RMB'000	Interest payables RMB'000
At 1 January 2024	9,078	222,976	289
Change from financing cash flows			
Payment on lease liabilities	(6,567)	–	–
Proceeds from borrowings to third parties	–	327,800	–
Repayment of borrowings to third parties	–	(350,378)	–
Interest paid	–	–	(6,025)
Total changes from financing cash flows	(6,567)	(22,578)	(6,025)
Other changes:			
Earlier lease termination	1,557	–	–
Interest expense on lease liabilities	–	–	233
Interest expense on borrowings	–	–	5,769
Foreign exchange adjustments	–	–	(10)
Total other changes	1,557	–	5,992
At 31 December 2024 and 1 January 2025	4,068	200,398	256
Change from financing cash flows			
Payment on lease liabilities	(3,831)	–	–
Proceeds from borrowings from third parties	–	439,108	–
Repayment of borrowings to third parties	–	(406,579)	–
Interest paid	–	–	(6,770)
Total changes from financing cash flows	(3,831)	32,529	(6,770)
Other changes:			
New lease	6,369	–	–
Interest expense on lease liabilities	–	–	149
Interest expense on borrowings	–	–	6,621
Foreign exchange adjustments	–	–	(50)
Total other changes	6,369	–	6,720
At 31 December 2025	6,606	232,927	206

30. FINANCIAL GUARANTEES

In 2024, UNQ Supply Chain, an indirect wholly-owned subsidiary of the Company, provided Shanghai Xuyi with a pledge for a bank loan of RMB46,000,000 from Industrial Bank Co., Ltd., secured by its bank deposit of RMB48,000,000 (the “**2024 Loan Agreement**”). This deposit covered the principal, interest, penalties, and other incidental expenses payable on the bank loan.

On 17 October 2025, Shanghai Xuyi duly fulfilled its repayment obligations under the 2024 Loan Agreement, and the Group’s obligation in relation to the previous guarantee has been released.

On 21 October 2025, UNQ Supply Chain provided again Shanghai Xuyi with a pledge for a bank loan of RMB47,500,000 from Industrial Bank Co., Ltd., secured by its bank deposit of RMB47,500,000. This deposit covered the principal, interest, penalties, and other incidental expenses payable on the bank loan. As at 31 December 2025, the maximum credit risk exposure of the guarantee was RMB47,500,000.

The Group adopted the probability of default (“**PD**”) was determined with reference to observable market data when evaluating the expected credit losses of the financial guarantees for the year ended 31 December 2025 and 2024. Shanghai Xuyi has historically serviced the underlying bank loan on time and that the loan and the related guarantee arrangement were renewed. Accordingly, the credit risk associated with the financial guarantee was considered lower than that of the trade receivables due from Shanghai Xuyi. Based on the above assessment, the Group changed the provision for loss allowance on financial guarantees of RMB9,134,000 for the year ended 31 December 2025 (2024: RMB6,375,000).

31. COMMITMENT

Lease commitments – as lessee

The Group leases staff dormitories under non-cancellable lease agreements with lease term less than 12 months. The majority of lease agreements are signed with third parties. The future aggregate minimum lease payments under non-cancellable short-term leases are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Up to 1 year	22	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Mr. Wang Yong 王勇	Controlling shareholder of the Company
TCI トランスコスモス株式会社 (“TCI”)	Shareholder of the Company
Mr. Matsumoto Ryoji 松本良二	Director of the Company
UNQ International (HK) Limited 優趣匯國際香港有限公司	Joint venture of the Company
Shanghai Xuyi	Associate of the Company
Calbee E-commerce Limited 卡樂比電子商務股份有限公司	Associate of UNQ International (HK) Limited
Calbee (Hangzhou) Food Co., Ltd. (“Calbee Hangzhou”) 卡樂比(杭州)食品有限公司	Subsidiary of Calbee E-commerce Limited
Hong Kong Pure & Individual Co., Limited (香港璞之間品牌管理有限公司)	Subsidiary of Shanghai Pujian Brand Management Co., Ltd

The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(b) Transactions with related parties

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of goods and provision of services		
– Shanghai Xuyi	–	66
– TCI	185	–
	185	66
Return of goods		
– Shanghai Xuyi	(115)	(826)
Purchase of goods and services		
– TCI	75,030	35,628
Guarantee paid		
– Shanghai Xuyi	47,500	48,000

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

Other movement of transactions with related parties are all paid and received on behalf.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32. RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Compensations for key management other than those for directors as disclosed in Note 33 is set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages and salaries	774	860
Bonuses	234	548
Contribution to pension scheme	48	71
Other social security costs, housing benefits and other employee benefits	69	85
	1,125	1,564

(d) Balances with related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables (Note 20) – Shanghai Xuyi	53,641	61,209
	53,641	61,209
Other receivables (Note 20) Trade: Rebate receivables from purchase – TCI	11,100	2,663
	11,100	2,663
Dividends receivables from a joint venture – UNQ International (HK) Limited	4,495	20,139
	4,495	20,139
Trade payables (Note 25) – TCI – Hong Kong Pure & Individual Co., Limited	4,436 300	4,658 –
	4,736	4,658
Other payables (Note 25) Trade – TCI	–	347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32. RELATED PARTY TRANSACTIONS (Continued)

(e) Financial guarantees provided to associate (Note 30)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Shanghai Xuyi	47,500	48,000

33. DIRECTORS' BENEFITS AND INTERESTS

(a) Directors' emoluments

The directors received emoluments from the Group for the year ended 31 December 2025 as follows:

	Director's fee	Wages and salaries	Bonuses	Contribution to pension scheme	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors						
Mr. Wang Yong	-	983	256	103	107	1,449
Mr. Shen Yu	-	540	295	49	477	1,361
Ms. Chen Weiwei	-	856	496	71	79	1,502
Non-executive Director						
Mr. Nakayama Kokkei	-	-	-	-	-	-
Independent Non-executive Directors						
Mr. NG Kam Wah Webster	195	-	-	-	-	195
Ms. Xin Honghua	180	-	-	-	-	180
Mr. Wei Hang	180	-	-	-	-	180
	555	2,379	1,047	223	663	4,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

33. DIRECTORS' BENEFITS AND INTERESTS (Continued)

(a) Directors' emoluments (Continued)

The directors received emoluments from the Group for the year ended 31 December 2024 as follows:

	Director's fee RMB'000	Wages and salaries RMB'000	Bonuses RMB'000	Contribution to pension scheme RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
Executive Directors						
Mr. Wang Yong	-	1,004	545	104	108	1,761
Mr. Shen Yu	-	476	343	44	476	1,339
Ms. Chen Weiwei	-	649	548	54	60	1,311
Mr. Matsumoto Ryoji	-	261	-	8	27	296
Non-executive Director						
Mr. Nakayama Kokkei	-	-	-	-	-	-
Independent Non-executive Directors						
Mr. NG Kam Wah Webster	200	-	-	-	-	200
Ms. Xin Honghua	180	-	-	-	-	180
Mr. Wei Hang	180	-	-	-	-	180
	560	2,390	1,436	210	671	5,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Investment in a subsidiary	631,688	631,688
Total non-current assets	631,688	631,688
Current assets		
Amounts due from subsidiaries	149,835	150,252
Cash and cash equivalents	1,530	1,087
Total current assets	151,365	151,339
Total assets	783,053	783,027
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	14	14
Share premium	2,411,438	2,487,083
Other reserves	14,443	14,443
Accumulated losses	(1,719,196)	(1,719,531)
Total equity	706,699	782,009
LIABILITIES		
Current liabilities		
Trade and other payables	1,387	1,018
Amount due to a subsidiary	74,967	–
Total current liabilities	76,354	1,018
Total liabilities	76,354	1,018
Total equity and liabilities	783,053	783,027

The balance sheet of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf.

Wang Yong
Director

Shen Yu
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Movement in the Company's reserves

	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	2,524,727	14,443	(1,724,092)	815,078
Profit for the year	–	–	4,561	4,561
Total comprehensive income for the year	–	–	4,561	4,561
Transactions with owners: Dividends declared to shareholders of the Company	(37,644)	–	–	(37,644)
At 31 December 2024 and 1 January 2025	2,487,083	14,443	(1,719,531)	781,995
Comprehensive losses				
Profit for the year	–	–	335	335
Total comprehensive income for the year	–	–	335	335
Transactions with owners: Dividends declared to shareholders of the Company	(75,645)	–	–	(75,645)
At 31 December 2025	2,411,438	14,443	(1,719,196)	706,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. SUBSIDIARIES

As at the date of this report, the Company has direct and indirect interests in the following subsidiaries:

Company name	Place and date of incorporation establishment	Registered capital (thousand)	Percentage of attributable equity interest			Principal activities and place of operation
			As at 31 December 2025	As at the date of the report	As at the date of the report	
Directly held						
E-Bloom Holdings Limited	BVI, 5 November 2019	USD0.01	100%	100%	100%	Holding company
Indirectly held						
UNQ Holdings (HK) Limited	Hong Kong, 19 November 2019	HKD0.001	100%	100%	100%	Holding company
UNQ Supply Chain*	The PRC, 17 October 2014	RMB1,352	100%	100%	100%	Sales of goods in the PRC
Shanghai Spot E-Commerce Co., Ltd. 上海思珀特電子商務有限公司**	The PRC, 4 June 2013	RMB5,000	100%	100%	100%	Sales of goods in the PRC
Hangzhou Spot E-commerce Co., Ltd. 杭州思珀特電子商務有限公司**	The PRC, 19 November 2014	RMB5,000	100%	100%	100%	Sales of goods in the PRC
Shanghai Yikemai Business Consulting Co., Ltd. 上海意可邁商務諮詢有限公司**	The PRC, 26 July 2012	RMB5,000	100%	100%	100%	Sales of goods in the PRC
Shanghai Fuli Culture Media Co., Ltd. 上海芙立文化傳媒有限公司**	The PRC, 28 November 2016	RMB5,000	100%	100%	100%	Brand marketing services in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. SUBSIDIARIES (Continued)

Company name	Place and date of incorporation establishment	Registered capital (thousand)	Percentage of attributable equity interest			Principal activities and place of operation
			As at 31 December 2025	As at the date 2024	As at the date of the report	
Indirectly held (Continued)						
U.Sun Trading (Shanghai) Co., Ltd. 妍晟貿易(上海)有限公司**	The PRC, 8 June 2017	RMB500	100%	100%	100%	Sales of goods in the PRC
UNQ Japan	Japan, 2 October 2014	JPY100,000	100%	100%	100%	Cross-border sales of goods
UNQ Hong Kong 優趣匯香港有限公司	Hong Kong, 27 August 2015	USD500	100%	100%	100%	Cross-border sales of goods
UNQ (Shanghai) International Trading Co., Ltd. 優趣匯(上海)國際貿易有限公司**	The PRC, 7 July 2016	RMB5,000	100%	100%	100%	Sales of goods in the PRC
Ningbo Spot International Trading Co., Ltd. 寧波思珀特國際貿易有限公司**	The PRC, 26 December 2017	RMB5,000	100%	100%	100%	Sales of goods in the PRC
Route (Shanghai) Information Technology Co., Ltd. 容異(上海)信息科技有限公司**	The PRC, 19 September 2018	RMB10,000	100%	100%	100%	IT services in the PRC
Shanghai Litun Culture Media Co., Ltd. 上海栗豚文化傳媒有限公司**	The PRC, 23 August 2019	RMB1,000	100%	100%	100%	Brand marketing services in the PRC
U.Sun (Hong Kong) Trading Co., Ltd. 妍晟(香港)貿易有限公司	Hong Kong, 24 September 2018	USD500	100%	100%	100%	Cross-border sales of goods

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

35. SUBSIDIARIES (Continued)

Company name	Place and date of incorporation establishment	Registered capital (thousand)	Percentage of attributable equity interest			Principal activities and place of operation
			As at 31 December 2025	As at the date of the report	As at the date of the report	
Indirectly held (Continued)						
UNQ (Shanghai) Medical Appliance Co., Ltd. 優趣匯(上海)醫療器械有限公司**	The PRC, 29 November 2019	RMB10,000	100%	100%	100%	Sales of goods in the PRC
King of Supplement Co., Ltd.	Japan, 16 August 2023	JPY9,000	100%	100%	100%	Cross-border sales of goods
Qu Yi 上海趣一化妝品有限公司	The PRC, 18 October 2022	RMB10,000	100%	51%	100%	Cross-border sales of goods
Newborn Biotechnology Ltd.	Canada, 23 June 2024	CAD10	85%	–	85%	Cross-border sales of goods
PT Unique Quality Indonesia	Indonesia, 22 March 2025	IDR20,000,000	100%	–	100%	Cross-border sales of goods

(i) On 1 January 2025, the Group's equity interest in Shanghai Pujian Brand Management Co., Ltd. (上海璞之間品牌管理有限公司) was reduced from 60% to 40%. As a result, the Group lost control over the entity, and the investment was reclassified from a subsidiary to an associate, accounted for using the equity method. Refer to Note 14 for further details.

* The company is registered as a wholly foreign owned enterprise under PRC law.

** The company is registered as a limited liability company under PRC law.

*** The company is registered as a limited partnership enterprise under PRC law.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

This note outlines the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements pertain to the Group, which comprises the Company and its subsidiaries.

36.1 Principles of combination and equity accounting

36.1.1 Subsidiaries

Consolidation

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

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS. Acquisition-related costs are expensed as incurred.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.1 Principles of combination and equity accounting (Continued)

36.1.1 Subsidiaries (Continued)

Separate financial statements

Investments in subsidiaries are carried at cost less impairment. Cost includes direct attributable costs of investment. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

36.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using equity method of accounting (see Note 36.1.4 below), after initially being recognised at cost.

36.1.3 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has joint ventures, which are accounted for using equity method (see Note 36.1.4 below), after initially being recognised at cost.

36.1.4 Equity method

Under equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investees in profit or loss, and the Group's share of movements in other comprehensive income of the investees in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.1 Principles of combination and equity accounting (Continued)

36.1.4 Equity method (Continued)

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the investees, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these investees. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in impairment of non-financial assets (see Note 36.4).

36.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

36.3 Foreign currency translation

36.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is RMB. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries consider RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.3 Foreign currency translation (Continued)

36.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations, where items are re-measured. Foreign exchange gains and losses resulting from the settlement of these transactions, as well as from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other (losses)/gains – net.

36.3.3 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in consolidated statement of comprehensive income.

In consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.4 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets, referred to as cash-generating units (CGUs). Non-financial assets suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

36.5 Financial assets

36.5.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

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

The Group reclassifies debt investments when and only when its business model for managing those assets changes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.5 Financial assets (Continued)

36.5.2 Recognition and derecognition

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

36.5.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into two measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at fair value. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.5 Financial assets (Continued)

36.5.3 Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

36.5.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.2 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 20 for further details

36.5.5 Other financial liabilities

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.5 Financial assets (Continued)

36.5.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

36.6 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

36.7 Inventories

Merchandises are stated at the lower of cost and net realisable value. The cost of inventories is measured by using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

36.8 Revenue recognition

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. Control of good or service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.8 Revenue recognition (Continued)

The Group generates revenues from two major revenue streams, namely sales of goods and provision of services.

(i) Sales of goods

Revenue from sales of goods includes two models, B2B and B2C. Revenues are measured as the amount of consideration the Group expects to receive in exchange for transferring goods to customers, net of discounts, rebate to customers, refund liabilities, value added tax and related surcharges. Refund liabilities, which are reduced from revenue, are estimated based on historical data the Group has maintained and its analysis of returns by categories of goods, and subject to adjustments to the extent that actual returns differ or expected to differ.

B2B Model

The Group sells goods to e-commerce platforms and other small-scale distributors (“**Platforms and Distributors**”). The Group acts as a principal under B2B Model since it controls the goods purchased from suppliers, takes inventory risk and has pricing latitude when selling goods to Platforms and Distributors.

Under B2B distribution model, control of goods is transferred to Platforms and Distributors when the goods are delivered to Platforms and Distributors. Platforms and Distributors have full discretion over the channel and price to sell the goods to end customers, and there is no unfulfilled obligation that could affect the Platforms and Distributors’ acceptance of the goods. Particularly for cross-border transactions, control of goods is transferred to Platforms and Distributors when the goods pass the ship’s rail at the named port of shipment or other fulfilled International Rules for the Interpretation of Trade Terms (“**Incoterms**”) agreed in the contracts, and the revenue is recognised when the goods delivered to the ship’s rail at the named port of shipment.

Under B2B consignment model, control of goods is transferred to Platforms and Distributors when end customers confirm acceptance on platforms. The Group has the call back right and controls the goods before end customers confirm acceptance on platforms.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.8 Revenue recognition (Continued)

(i) Sales of goods (Continued)

B2C Model

Under B2C Model, the Group establishes and operates online stores authorised by the brand owners on platform. The Group acts as a principal under B2C Model since it controls the goods purchased from suppliers, takes inventory risk and has pricing latitude when selling goods to users of the platform. Users of the platform are considered as the customers as they place orders on the online stores and make online payments through third-party payment channels. Revenue from sales of goods under B2C Model is recognised when control of goods is transferred to users, being when users receive the goods upon delivery. The funds will not be released to the Group by these third-party payment channels until the users confirm the acceptance on the platform or at the end of period for customers to confirm the acceptance, whichever is earlier. Commission paid to platforms, which are considered as incremental costs of obtaining a contract, are expensed as incurred because the amortisation period of the asset is less than one year.

(ii) Provision of services

Revenue from providing services is recognised in the accounting period when the services are rendered.

The Group provides online operating services to the customers. The Group acts as online operating services provider and does not act as the primary obligor for the delivery of goods. The Group is not involved in determining goods specifications and display of the goods in the online, does not hold legal title to the goods, and has no latitude in establishing prices or selecting merchandise. Customers may elect to use the Group's comprehensive end-to-end e-commerce solutions or select specific elements of its e-commerce supporting infrastructure and marketing services that best fit their needs. Based on these facts, revenue from online operating services is recognised based on the value of merchandise sold or sharing of online operating results, which was calculated based on a pre-determined formula. The Group recognises service fees as revenue in the consolidated statement of comprehensive income. All direct costs that the Group incurs in the provision of online operating services are classified as cost of revenue in the consolidated statement of comprehensive income.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.8 Revenue recognition (Continued)

(iii) Contract asset and contract liability

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

36.9 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits and highly liquid investments with maturity of less than three months.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

36.10 Vendor rebates

The Group periodically receives consideration from certain vendors, representing:

- Volume rebates for products purchased which are calculated based on purchase volumes over a specified period. The Group accounts for volume rebates received from its vendors as a reduction to the price it pays for the products purchased, related rebates are deducted from the cost of revenue if the products are sold.
- Reimbursement for the expenditures occurred for brand marketing and promotion activities. The Group accounts for the reimbursement as a reduction of selling and marketing expenses.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

All borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

36.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

36.12.1 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.12 Current and deferred income tax (Continued)

36.12.2 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.13 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

In accordance with the rules and regulations in the PRC, the PRC-based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the MPF Scheme vest immediately.

The employees of the Company's subsidiary which operated in Japan are required to participate in a central pension scheme operated by a government-affiliated corporation (the "**National Pension Scheme**"). This subsidiary is required to contribute certain percentage of employees' salaries to the National Pension Scheme. The Group has no further payment obligations once the contributions have been paid.

(c) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognised as interest expense.

36.15 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

36.15 Leases (Continued)

Right-of-use assets are measured at cost comprising the following:

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

Entity-specific details about the Group's leasing policy are provided in Note 15(b).

36.16 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the entities' shareholders or directors, where appropriate.

36.17 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

36.18 Research and development expenses

Research and development expenses are recognised as expenses as incurred. Costs incurred on development projects are capitalised as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred. There were no development costs meeting these criteria and capitalised as intangible assets during the years ended 31 December 2025 and 2024.

37. SUBSEQUENT EVENT

On 5 January 2026, the Group completed the acquisition of approximately 90% of the issued shares of One Two Co., Ltd. (株式会社ワン・ツー) (the “**Target Company**”), a company incorporated in Japan with limited liability, with a cash consideration of JPY2,701 million (equivalent to approximately RMB116.4 million).

Through this transaction, the Target Company has become an indirect non-wholly owned subsidiary of the Group. Accordingly, the financial results of the Target Company have been consolidated into the consolidated financial statements with effect from that date.

As the acquisition date was after the end of the reporting period but before the financial statements were authorised for issue, and the initial accounting for the business combination was incomplete at the time the consolidated financial statements were authorised for issue, and the Group has not yet completed the fair value assessment of the identifiable assets acquired and liabilities assumed, nor the purchase price allocation. Consequently, under IFRS business combination disclosures, including the fair values of identifiable assets and liabilities, the amount of goodwill or gain on bargain purchase, and the impact of the acquisition on the Group’s financial position and results, could not be made in these consolidated financial statements.

The Company expects to complete the initial accounting for the business combination and provides the relevant disclosures in the next annual financial statements.

FIVE-YEAR FINANCIAL SUMMARY

RMB'000	Year ended 31 December				
	2021	2022	2023	2024	2025
Revenue	3,033,124	2,379,014	1,735,900	1,348,400	1,292,895
Gross profit	900,807	569,162	456,655	404,695	435,105
Gross profit margin	29.7%	23.9%	26.3%	30.0%	33.7%
Profit/(loss) for the year	30,006	(116,839)	(17,529)	36,471	24,128
Adjusted net profit ^(note 1)	41,691	(116,839)	(17,529)	36,471	24,128
Adjusted net profit margin ^(note 1)	1.4%	-4.9%	-1.0%	2.7%	1.9%

RMB'000	As at 31 December				
	2021	2022	2023	2024	2025
Monetary capital	447,085	417,642	338,397	438,576	306,410
Trade and other receivables	435,054	490,856	243,697	233,873	199,088
Inventory	783,481	535,652	279,570	264,986	290,291
Other assets ^(note 2)	364,354	321,419	295,687	252,518	259,645
Total assets	2,029,974	1,765,569	1,157,351	1,189,953	1,055,434
Borrowings ^(note 3)	581,614	435,238	222,976	200,398	232,927
Preferred shares	–	–	–	–	–
Trade and other payables	528,503	530,853	181,691	246,280	125,901
Other liabilities ^(note 2)	28,776	36,345	25,426	22,802	37,475
Total liabilities	1,138,893	1,002,436	430,093	469,480	396,303
Owners' equity	891,081	763,133	727,258	720,473	659,131
Gearing ratio^(note 4)	16.8%	4.5%	-14.6%	-32.5%	-10.1%

Notes:

1. We define "adjusted net profit (non-IFRS measure)" as loss or profit for the year/period by excluding impacts of (i) preferred shares, (ii) share-based compensation expenses, and (iii) listing expenses. Adjusted net profit (Non-IFRS measure) is not a measure required by, or presented in accordance with IFRS. This figure and the corresponding adjusted net profit margin are unaudited.
2. Other assets and other liabilities are not accounting items and refer to all other assets or liabilities other than the above-mentioned ones.
3. Borrowings include long-term borrowings, short-term borrowings and long-term borrowings due within one year.
4. Gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including interest-bearing borrowings and lease liabilities) less cash and cash equivalents, and liquid investment which are financial assets at fair value through profit or loss.



DEFINITIONS

“2022 RSU Scheme”	the restricted share units scheme adopted by the Board on 27 April 2022;
“2026 Products Procurement Framework Agreement”	a framework agreement entered into between the Company (for itself and on behalf of the Group) and TCI (for itself and on behalf of the TCI Group) on 31 October 2025, pursuant to which the Group will purchase products from the TCI Group;
“AGM”	the annual general meeting of the Company to be held on 29 June 2026;
“Articles of Association”	the articles of association of the Company (as amended from time to time);
“Audit Committee”	the audit committee of the Company;
“Auditor”	the auditor of the Company;
“Award”	an award of RSUs granted to a Participant pursuant to the 2022 RSU Scheme;
“Board”	the board of Directors of the Company;
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules;
“China” or “PRC”	the People’s Republic of China;
“Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as amended or supplemented or otherwise modified from time to time) of the Cayman Islands;
“Company”, “Our Company” or “UNQ”	UNQ Holdings Limited (优趣汇控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 31 October 2019;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	any entity or person who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;



DEFINITIONS

“Listing Date”	12 July 2021, being the date on which the Shares were listed on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
“Nomination Committee”	the nomination committee of the Company;
“Participants”	eligible participant(s) of the 2022 RSU Scheme, including full-time employees (including Directors, members of the management team and other employees) of the Group;
“Prospectus”	the prospectus of the Company dated 28 June 2021;
“Remuneration Committee”	the remuneration committee of the Company;
“Reporting Period”	from 1 January 2025 to 31 December 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“RSU(s)”	restricted share unit(s) which may be granted under the 2022 RSU Scheme;
“SFO”	the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time);
“Share(s)”	ordinary shares in the capital of our Company with nominal value of HKD0.0001 each;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TCI”	Transcosmos Inc. (大宇宙株式會社), a company incorporated under the laws of Japan, whose shares are listed on the Tokyo Stock Exchange under the stock code of 9715, and one of the controlling shareholders of the Company;
“Trustee”	The professional trustee(s) which is an Independent Third Party to be appointed by the Company to assist with the administration and vesting of RSUs granted pursuant to the 2022 RSU Scheme;
“%”	per cent.



优趣汇控股有限公司
UNQ HOLDINGS LIMITED

