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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF RIDGE OUTDOOR INTERNATIONAL LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Ridge Outdoor International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-67, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 31 August 2025, the statements of financial position of the Company as at 31 December 2024 and 31 August 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended 31 December 2022, 2023 and 2024 and the eight months ended 31 August 2025 (the "Relevant Periods"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-67 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 31 January 2026 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.



Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's financial position as at 31 December 2024 and 31 August 2025 and the Group's financial position as at 31 December 2022, 2023 and 2024 and 31 August 2025, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the eight months ended 31 August 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is



substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

Adjustments

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

Dividends

We refer to Note 25(d) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 January 2026



Historical financial information

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

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Hangzhou Branch (畢馬威華振會計師事務所(特殊普通合夥)杭州分所) in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

	Note	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	4	818,412	463,251	573,463	391,042	460,269
Cost of sales		(628,279)	(340,027)	(420,783)	(288,500)	(332,754)
Gross profit		190,133	123,224	152,680	102,542	127,515
Other net income/(loss)	5	6,267	(9,215)	(1,038)	(1,999)	2,605
Selling and distribution expenses		(12,332)	(14,196)	(16,939)	(10,805)	(14,895)
Administrative expenses		(30,893)	(30,596)	(51,215)	(26,391)	(33,608)
Research and development costs		(523)	(3,906)	(3,538)	(1,984)	(3,821)
(Provision)/reversal of impairment loss on trade receivables		(73)	(274)	(123)	33	(101)
Profit from operations		152,579	65,037	79,827	61,396	77,695
Finance costs	6(a)	(171)	(359)	(822)	(183)	(3,076)
Profit before taxation	6	152,408	64,678	79,005	61,213	74,619
Income tax	7(a)	(38,557)	(15,677)	(19,600)	(14,504)	(18,378)
Profit for the year/period		113,851	49,001	59,405	46,709	56,241
Attributable to:						
Equity shareholders of the Company		106,938	45,973	55,741	44,005	56,241
Non-controlling interests		6,913	3,028	3,664	2,704	-
Profit for the year/period		113,851	49,001	59,405	46,709	56,241
Earnings per share						
Basic and diluted earnings per share (RMB)	10	N/A	N/A	N/A	N/A	N/A
Profit for the year/period		113,851	49,001	59,405	46,709	56,241
Other comprehensive income for the year/period (after tax and reclassification adjustments)						
<i>Item that will not be reclassified to profit or loss:</i>						
Exchange differences on translation of financial statements of the Company		-	-	(12)	-	34
<i>Item that is or may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of financial statements of overseas subsidiaries		(15)	(322)	(31)	(166)	(320)
Other comprehensive income for the year/period, net of income tax		(15)	(322)	(43)	(166)	(286)
Total comprehensive income for the year/period		113,836	48,679	59,362	46,543	55,955
Attributable to:						
Equity shareholders of the Company		106,923	45,651	55,698	43,839	55,955
Non-controlling interests		6,913	3,028	3,664	2,704	-
Total comprehensive income for the year/period		113,836	48,679	59,362	46,543	55,955

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in RMB)

		As at 31 December			As at 31 August
	Note	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	11	43,744	40,219	37,521	36,629
Right-of-use assets	12	14,077	7,754	4,242	2,246
Intangible assets	13	50	59	413	1,167
Prepayments for property, plant and equipment		-	40	510	-
Deferred tax assets	24	9,446	9,425	8,507	8,121
		<u>67,317</u>	<u>57,497</u>	<u>51,193</u>	<u>48,163</u>
Current assets					
Derivative financial instruments	15	1,328	261	-	-
Inventories	16	129,118	87,319	122,035	113,358
Trade and other receivables	17	121,683	69,936	101,433	109,874
Restricted cash	18(b)	-	-	-	1,139
Cash and cash equivalents	18(a)	14,135	26,644	65,673	106,353
		<u>266,264</u>	<u>184,160</u>	<u>289,141</u>	<u>330,724</u>
Current liabilities					
Trade and other payables	19	153,822	79,047	266,274	123,250
Contract liabilities	20	6,853	5,435	12,441	7,915
Bank loans	21	25	27	100,092	230,186
Lease liabilities	22	8,298	4,052	2,506	465
Derivative financial instruments	15	1,197	2,284	-	-
Current taxation	24	3,625	10,626	3,032	5,410
		<u>173,820</u>	<u>101,471</u>	<u>384,345</u>	<u>367,226</u>
Net current assets/(liabilities)		<u>92,444</u>	<u>82,689</u>	<u>(95,204)</u>	<u>(36,502)</u>
Total assets less current liabilities		<u>159,761</u>	<u>140,186</u>	<u>(44,011)</u>	<u>11,661</u>



	Note	As at 31 December			As at
		2022	2023	2024	31 August
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
Non-current liabilities					
Bank loans	21	78	57	-	-
Lease liabilities	22	5,140	3,143	1,294	1,011
		<u>5,218</u>	<u>3,200</u>	<u>1,294</u>	<u>1,011</u>
NET ASSETS/(LIABILITIES)		<u>154,543</u>	<u>136,986</u>	<u>(45,305)</u>	<u>10,650</u>
CAPITAL AND RESERVES					
Share capital	25(a)	-	-	356	356
Reserves	25(e)	154,543	136,986	(45,661)	10,294
Total equity/(deficit) attributable to equity shareholders of the Company		149,357	132,713	(45,305)	10,650
Non-controlling interests		<u>5,186</u>	<u>4,273</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY/(DEFICIT)		<u>154,543</u>	<u>136,986</u>	<u>(45,305)</u>	<u>10,650</u>

The accompanying notes form part of the Historical Financial Information.



STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in RMB)

		As at 31 December 2024 RMB'000	As at 31 August 2025 RMB'000
	Note		
Non-current assets			
Investments in subsidiaries	14	1,374	1,358
		<u>1,374</u>	<u>1,358</u>
Current assets			
Cash and cash equivalents	18	423	380
		<u>423</u>	<u>380</u>
Current liabilities			
Trade and other payables	19	4,338	4,635
		<u>4,338</u>	<u>4,635</u>
Net current liabilities		<u>(3,915)</u>	<u>(4,255)</u>
NET LIABILITIES		<u>(2,541)</u>	<u>(2,897)</u>
CAPITAL AND RESERVES			
Share capital	25(a)	356	356
Reserves		<u>(2,897)</u>	<u>(3,253)</u>
TOTAL DEFICIT		<u>(2,541)</u>	<u>(2,897)</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in RMB)

Note	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity/(deficit)
	Share capital	Capital reserve	Statutory reserve	Exchange reserve	Net parent investment	(Accumulated losses)/Retained profits		
	RMB'000 (Note 25(a))	RMB'000 (Note 25(e)(i))	RMB'000 (Note 25(e)(ii))	RMB'000 (Note 25(e)(iii))	RMB'000 (Note 25(c))	RMB'000	RMB'000 (Note 25(e)(iv))	RMB'000
Balance at 1 January 2022	-	3,456	-	420	183,117	(4,528)	11,706	194,171
Changes in equity for 2022:								
Profit for the year	-	-	-	-	97,280	9,658	6,913	113,851
Other comprehensive income	-	-	-	(15)	-	-	-	(15)
Total comprehensive income	-	-	-	(15)	97,280	9,658	6,913	113,836
Profit appropriation to statutory reserve	-	-	1,224	-	-	(1,224)	-	-
Deemed distribution	-	-	-	-	(212,321)	-	(13,433)	(225,754)
Owners' contributions of capital	-	72,290	-	-	-	-	-	72,290
Balance at 31 December 2022 and 1 January 2023	-	75,746	1,224	405	68,076	3,906	5,186	154,543
Changes in equity for 2023:								
Profit for the year	-	-	-	-	13,010	32,963	3,028	49,001
Other comprehensive income	-	-	-	(322)	-	-	-	(322)
Total comprehensive income	-	-	-	(322)	13,010	32,963	3,028	48,679
Profit appropriation to statutory reserve	-	-	3,371	-	-	(3,371)	-	-
Deemed distribution	-	-	-	-	(62,295)	-	(3,941)	(66,236)
Balance at 31 December 2023	-	75,746	4,595	83	18,791	33,498	4,273	136,986

The accompanying notes form part of the Historical Financial Information.

Attributable to equity shareholders of the Company									
Note	Share capital RMB'000 (Note 25(a))	Capital reserve RMB'000 (Note 25(e)(i))	Statutory reserve RMB'000 (Note 25(e)(ii))	Exchange reserve RMB'000 (Note 25(e)(iii))	Net parent investment RMB'000 (Note 25(c))	(Accumulated losses)/Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000 (Note 25(e)(iv))	Total equity/(deficit) RMB'000
Balance at 31 December 2023 and 1 January 2024	-	75,746	4,595	83	18,791	33,498	132,713	4,273	136,986
Changes in equity for 2024:									
Profit for the year	-	-	-	-	(427)	56,168	55,741	3,664	59,405
Other comprehensive income	-	-	-	(43)	-	-	(43)	-	(43)
Total comprehensive income	-	-	-	(43)	(427)	56,168	55,698	3,664	59,362
Issuance of new shares	25(a)	356	-	-	-	-	356	-	356
Profit appropriation to statutory reserve	-	-	5,429	-	-	(5,429)	-	-	-
Deemed distribution	1	-	-	-	(18,364)	-	(18,364)	(1,162)	(19,526)
Dividends declared and paid	25(d)	-	-	-	-	(61,133)	(61,133)	(3,867)	(65,000)
Deemed distribution arising from the Reorganisation	25(e)(i)	-	(155,928)	-	-	-	(155,928)	(2,908)	(158,836)
Capital contributions under equity settled share-based transactions	23	-	1,353	-	-	-	1,353	-	1,353
Balance at 31 December 2024	356	(78,829)	10,024	40	-	23,104	(45,305)	-	(45,305)

The accompanying notes form part of the Historical Financial Information.

Attributable to equity shareholders of the Company							
Note	Share capital RMB'000 (Note 25(a))	Capital reserve RMB'000 (Note 25(e)(i))	Statutory reserve RMB'000 (Note 25(e)(ii))	Exchange reserve RMB'000 (Note 25(e)(iii))	Net parent investment RMB'000 (Note 25(c))	(Accumulated losses)/Retained profits RMB'000	Total equity/(deficit) RMB'000
Balance at 31 December 2024 and 1 January 2025	356	(78,829)	10,024	40	-	23,104	(45,305)
Changes in equity for the eight months ended 31 August 2025:							
Profit for the period	-	-	-	-	-	56,241	56,241
Other comprehensive income	-	-	-	(286)	-	-	(286)
Total comprehensive income	-	-	-	(286)	-	56,241	55,955
Profit appropriation to statutory reserve	-	-	5,421	-	-	(5,421)	-
Balance at 31 August 2025	356	(78,829)	15,445	(246)	-	73,924	10,650

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000 (Note 25(a))	Capital reserve RMB'000 (Note 25(e)(i))	Statutory reserve RMB'000 (Note 25(e)(ii))	Exchange reserve RMB'000 (Note 25(e)(iii))	Net parent investment RMB'000 (Note 25(c))	(Accumulated losses)/Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000 (Note 25(e)(iv))	Total equity/(deficit) RMB'000
(Unaudited)										
Balance at 31 December 2023 and 1 January 2024		-	75,746	4,595	83	18,791	33,498	132,713	4,273	136,986
Changes in equity for eight months ended 31 August 2024:										
Profit for the period		-	-	-	-	(718)	44,723	44,005	2,704	46,709
Other comprehensive income		-	-	-	(166)	-	-	(166)	-	(166)
Total comprehensive income		-	-	-	(166)	(718)	44,723	43,839	2,704	46,543
Profit appropriation to statutory reserve		-	-	4,256	-	-	(4,256)	-	-	-
Deemed distribution		-	-	-	-	(17,291)	-	(17,291)	(1,094)	(18,385)
Dividends declared		-	-	-	-	-	(61,133)	(61,133)	(3,867)	(65,000)
Balance at 31 August 2024		-	75,746	8,851	(83)	782	12,832	98,128	2,016	100,144

Note

1
25(d)



CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in RMB)

		Year ended 31 December			Eight months ended 31 August	
	Note	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Operating activities:						
Cash generated from operations	18(c)	254,320	97,521	73,211	48,413	84,553
Income tax paid		-	(7,504)	(25,586)	(18,637)	(15,614)
Net cash generated from operating activities		254,320	90,017	47,625	29,776	68,939
Investing activities:						
Payment for the purchase of property, plant and equipment and intangible assets		(3,233)	(1,185)	(2,273)	(941)	(2,881)
Advance payments to related party		-	-	(1,089)	-	-
Receipts of advance payments to related party		-	-	-	-	1,089
Proceeds from sale of property, plant and equipment		63	324	68	10	18
Payment for the settlement of derivative financial instruments		(1,850)	(5,252)	(5,398)	(5,398)	-
Interest received		3	67	152	59	886
Net cash used in investing activities		(5,017)	(6,046)	(8,540)	(6,270)	(888)
Financing activities:						
Capital contributions from shareholders		20,000	-	356	-	-
Proceeds from bank loans	18(d)	-	-	100,000	-	180,000
Proceeds from borrowings from related parties	18(d)	-	-	168,330	-	-
Capital element of lease rentals paid	18(d)	(913)	(4,439)	(3,408)	(2,555)	(2,417)
Interest element of lease rentals paid	18(d)	(168)	(357)	(249)	(182)	(88)
Repayment of bank loans	18(d)	(26)	(23)	(85)	(18)	(50,000)
Repayment of borrowings from related parties	18(d)	-	-	(17,874)	-	(150,000)
Payment of listing expenses		-	-	(2,735)	(359)	(1,894)
Interest paid	18(d)	(3)	(2)	(481)	(1)	(2,894)
Dividends paid	25(d)	-	-	(65,000)	-	-
Deemed distribution	1	(260,446)	(67,387)	(20,216)	(18,951)	-
Payment arising from the Reorganisation	25(e) (i)	-	-	(158,836)	-	-
Net cash used in financing activities		(241,556)	(72,208)	(198)	(22,066)	(27,293)
Net increase in cash and cash equivalents		7,747	11,763	38,887	1,440	40,758
Cash and cash equivalents at 1 January	18(a)	6,417	14,135	26,644	26,644	65,673
Effect of foreign exchange rate changes		(29)	746	142	(53)	(78)
Cash and cash equivalents at 31 December/31 August	18(a)	14,135	26,644	65,673	28,031	106,353

The accompanying notes form part of the Historical Financial Information.



NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Ridge Outdoor International Limited (the "Company") was incorporated in Cayman Islands on 17 July 2024 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 Company is an investment holding company and has not carried on any business since the date of its incorporation save for the corporate reorganisation as described below. The Company and its subsidiaries (together the "Group") are principally engaged in the manufacturing and sales of fishing-related equipment (the "Listing Businesses").

During the Relevant Periods and before the completion of the reorganisation described below, the Listing Businesses were conducted through the fishing-related equipment division of Zhejiang Topsun Holding Group Co. Ltd. and its subsidiaries (together the "Topsun Group") and various entities which are controlled by Mr. Yang Baoqing (the "Ultimate Controlling Shareholder"). To rationalise the corporate structure in preparation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited ("The Stock Exchange"), the Group underwent a reorganisation (the "Reorganisation") as detailed in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Upon completion of the Reorganisation in November 2024, the Company became the holding company of the Group. As the Listing Businesses were ultimately controlled by the Ultimate Controlling Shareholder during the Relevant Periods and both before and after the Reorganisation, and the control is not transitory, consequently there was a continuation of the risks and benefits to the Ultimate Controlling Shareholder. The Reorganisation is therefore treated as a combination of businesses under common control.

Accordingly, the Historical Financial Information has been prepared and presented using the merger basis of accounting as if current structure of the Group had been in existence and remained unchanged throughout the Relevant Periods. The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Group include the financial performance and cash flows of the Listing Businesses for the Relevant Periods as if the current group structure had been in existence and remained unchanged throughout the Relevant Periods. The consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and 31 August 2025 have been prepared to present the financial position of the Listing Businesses as at the respective dates. The assets and liabilities of the Listing Businesses have been measured at their carrying amounts prior to the Reorganisation. Intra-group balances, transactions and unrealised gains/losses on intra-group transactions were eliminated when preparing the Historical Financial Information.

During the Relevant Periods and before the completion of the Reorganisation, certain manufacturing, sales and administrative activities of the Listing Businesses were carried out by the fishing-related equipment division of Topsun Group that was under common control of the Ultimate Controlling Shareholder, while Topsun Group did not become part of the Group upon the completion of the Reorganisation. In June 2022, the Ultimate Controlling Shareholder set up a new entity 浙江樂欣戶外用品有限公司 Zhejiang Ridge Outdoor Co., Ltd. ("Zhejiang Ridge Outdoor") to gradually take over the activities which were carried out by the fishing-related equipment division of Topsun Group. For the purpose of this report, a process has been completed to specifically identify assets, liabilities, revenue, expenses and cash flows of the fishing-related equipment division of Topsun Group associated with the Listing Businesses during the Relevant Periods in preparing the Historical Financial Information.

The Historical Financial Information only includes transactions and balances that are attributable to the Listing Businesses. Since certain of Listing businesses were conducted as a division of Topsun Group before the Reorganisation, the net parent investment, representing the net assets related to the Listing Businesses which were managed and controlled by the fishing-related equipment division of Topsun Group, has been shown in lieu of shareholders' equity in the Historical Financial Information (Note 25(c)). Transactions and balances were attributed to the Listing Businesses based on specific identification except for those set out below, for which they were accounted for using the most relevant bases in the views of the directors of the Group (the "Directors"):

- Administrative and operating expenses have been principally allocated either based on headcount to the extent a separate group of personnel could be specifically identified and attributed to the Listing Businesses, or otherwise allocated on another reasonable basis as appropriate;



- Income taxes were determined based on the assumptions that the Listing Businesses carried out by the fishing-related equipment division of Topsun Group was a separate taxable entity. As the income tax has been charged at the legal entity level, the tax payments related to the Listing Businesses carried out by the fishing-related equipment division of Topsun Group are regarded as deemed contribution in the consolidated statements of changes in equity and non-cash transactions to the Listing Businesses, amounting to RMB34,692,000, RMB1,151,000, RMB690,000, RMB566,000 (unaudited) and nil for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025, respectively (Note 24(a)); and
- Cash generated from the Listing Businesses which were managed and controlled by the fishing-related equipment division of Topsun Group under common control of the Ultimate Controlling Shareholder, with the net amount of cash used of RMB260,446,000, RMB67,387,000, RMB20,216,000, RMB18,951,000 (unaudited) and nil for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025, respectively, for the Listing Businesses is presented as deemed distribution in the consolidated statements of changes in equity and consolidated cash flow statements.

As at the date of report, the Company has direct or indirect interests in the following subsidiaries, all of which are private and limited liability companies.

Company name	Place and date of incorporation/ establishment	Particulars of registered capital/ paid-up capital	Proportion of ownership interest		Principal activities
			Directly held by the Company	Indirectly held by the Company	
Solar Tackle Limited (i)	The United Kingdom 27 April 2004	Great Britain Pound ("GBP") 100,000/GBP1	100.00%	-	- Sales of fishing-related equipment
Ridge Holding (HK) Limited (i)	Hong Kong 15 August 2024	Hong Kong Dollar ("HKD") 10,000/ HKD10,000	100.00%	-	- Investment holding
Zhejiang Ridge Creative Industry Co., Ltd.* 浙江樂欣創意產業有限公司 (i)	Chinese Mainland 30 October 2024	United States dollar ("USD") 2,000,000/-	-	100.00%	Investment holding
Zhejiang Ridge Outdoor* 浙江樂欣戶外用品有限公司 (i)	Chinese Mainland 8 June 2022	RMB100,000,000/ RMB100,000,000	-	100.00%	Manufacturing and sales of fishing-related equipment

Notes:

- (i) No audited statutory financial statements have been prepared for these companies for the Relevant Periods as they have not carried out any business since the date of incorporation, or are not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.
- (ii) The subsidiaries incorporated in the Chinese Mainland adopt 31 December as their financial year end date. All other subsidiaries comprising the Group adopt 30 June as their financial year end date.
- * The English name of the subsidiaries incorporated in the Chinese Mainland is translated from their registered Chinese name for identification purpose only.



The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in Note 2.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB36,502,000 as at 31 August 2025. Based on the projection of profit and cash inflows from operations and the financial resources available, the Directors are of the opinion that the Group has sufficient working capital to continue as a going concern for the next twelve months from 31 August 2025. Therefore, the Directors are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, all applicable new and revised IFRS Accounting Standards have been adopted for the Relevant Periods, except for any new standards or interpretations that are not yet effective for the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in Note 31.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Investment in securities (see Note 2(e));
- Derivative financial instruments (see Note 2(f)).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.



(c) Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination is adjusted to equity. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

(e) Other investments in securities

The Group's policies for investments, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 26(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(t)(ii)(b)).
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.



- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(f) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(j)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and buildings	13 years
- Equipment and machinery	5-10 years
- Office equipment and furniture	4-5 years
- Motor vehicles	5 years
- Leasehold improvements	Over the shorter of the lease term or the estimated useful life of the asset

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred.

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- Patents	5 years
- Software	2-10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)). Depreciation is calculated using the straight-line method over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(e)(i), 2(m) and 2(t)(ii)(b)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the public health incidents and which satisfied the conditions set out in paragraph 46B of IFRS 16, Leases. In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(t)(ii)(a).

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on

- financial assets measured at amortised cost (including cash and cash equivalents, restricted cash and trade and other receivables);

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.



The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(j)(i).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).



(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payment arrangement granted to the employees by the shareholder of the Company is immediately recognised as an employee cost, with a corresponding increase in the capital reserve, if the employee is not required to satisfy a specified vesting condition before becoming unconditionally entitled to the equity instruments granted; or over the vesting period of the awards (if any). For the share-based payment arrangement which is settled by the shareholder of the Company clearly for a purpose other than a payment for the goods or services supplied to the Group, it is not recognised as the share-based payment expenses by the Group.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income ("OCI").

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value-added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(a) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products.



(b) *Service income*

Service income is recognised in profit or loss when services are rendered.

(ii) **Revenue from other sources and other income**

(a) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

(b) *Interest income*

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) *Government grants*

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(u) **Translation of foreign currencies**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions. Foreign currency differences arose from translation of foreign operations are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattribute to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(v) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.



(w) Related parties

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

As detailed in Note 1, for those transactions and balances that cannot be attributed to the Listing Businesses based on specific identification, allocations were made based on the most relevant allocation bases in the views of the Directors. The Directors believe that these allocation bases are reasonable.



(b) Sources of estimation uncertainty

Significant sources of estimation uncertainty in the process of applying the Group's accounting policies are as follows:

(i) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences and cumulative tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and requires a significant level of judgement exercised by the management.

(ii) Net realisable value of inventories

As described in Note 2(k), net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

Management reassesses these estimations at each reporting date to ensure inventory is shown at the lower of cost and net realisable value.

(iii) Impairment of trade and other receivables

The Group's management determines the loss allowance for expected credit losses on trade and other receivables based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions. The Group's management reassesses the loss allowance at each reporting period end.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing and sale of fishing-related equipment.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from contracts with customers within the scope of IFRS 15					
Recognised at a point in time					
Disaggregated by major products					
- Chairs, bedchairs and other accessories	364,316	240,044	290,743	207,758	224,256
- Bags	198,342	108,501	144,000	98,532	131,540
- Tents	238,338	105,953	131,054	80,923	101,829
- Others	17,335	7,782	6,735	3,195	2,077
Revenue from other sources					
- Rental income	81	971	931	634	567
	818,412	463,251	573,463	391,042	460,269



(ii) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods is set out below:

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Company A	146,468	N/A*	N/A*	N/A*	N/A*
Company B	93,612	72,796	88,414	66,209	81,481
Company C	88,874	N/A*	83,671	59,732	N/A*
Topsun Group	88,819	60,969	61,981	49,663	54,413

* Less than 10% of the Group's revenue in the respective year.

(iii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2022, 2023 and 2024 and 31 August 2025, the remaining performance obligations (unsatisfied or partially unsatisfied) for contracts with customers are part of contracts that have original expected duration of one year or less. The Group has elected the practical expedient and not disclosed the transaction price allocated to the performance obligations (unsatisfied or partially unsatisfied) as at the end of each reporting period.

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Group has determined that it only has one operating segment.

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and the location of the operation to which they are allocated, in the case of intangible assets.

(i) Revenue from external customers

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Europe	537,561	325,684	420,435	290,782	347,410
North America	154,053	46,228	49,959	28,812	29,736
Chinese Mainland	102,983	78,545	87,446	60,726	70,032
Others	23,815	12,794	15,623	10,722	13,091
	818,412	463,251	573,463	391,042	460,269



The analysis above includes property rental income from customers in Chinese Mainland of RMB81,000, RMB971,000, RMB931,000, RMB634,000 (unaudited) and RMB567,000 for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025, respectively.

(ii) **Specified non-current assets**

	As at 31 December			As at 31 August
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Chinese Mainland	56,966	45,250	39,943	37,557
Overseas	905	2,782	2,233	2,485
	<u>57,871</u>	<u>48,032</u>	<u>42,176</u>	<u>40,042</u>

5 OTHER NET INCOME/(LOSS)

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Net realised and unrealised loss on derivative financial instruments	(1,720)	(7,407)	(3,375)	(3,375)	-
Net foreign exchange gain/(loss)	7,962	(2,246)	1,963	1,328	1,794
Interest income	3	67	152	59	886
Net gain on disposal of leases	-	116	-	-	-
Net loss on disposal of property, plant and equipment	-	-	(28)	(25)	(12)
Government grants (Note (i))	-	90	249	-	-
Others	22	165	1	14	(63)
	<u>6,267</u>	<u>(9,215)</u>	<u>(1,038)</u>	<u>(1,999)</u>	<u>2,605</u>

Note:

- (i) Government grants primarily comprise subsidies received from the government for the encouragement of business development.



6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Interest on bank loans	3	2	573	1	2,988
Interest on lease liabilities	168	357	249	182	88
	<u>171</u>	<u>359</u>	<u>822</u>	<u>183</u>	<u>3,076</u>

(b) Staff costs

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Salaries, wages and other benefits	92,329	88,185	103,712	68,972	82,531
Contributions to defined contribution retirement plans (Note (i) and (ii))	2,398	2,853	4,922	2,508	6,062
Equity-settled share-based payment expenses (Note 23)	-	-	1,353	-	-
	<u>94,727</u>	<u>91,038</u>	<u>109,987</u>	<u>71,480</u>	<u>88,593</u>

Notes:

- (i) The employees of the subsidiaries of the Group established in the PRC participate in a defined contribution scheme managed by the local municipal governments, whereby these companies are required to contribute to the scheme at certain rates of the employees' salaries as agreed by the local municipal governments. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement scheme at their normal retirement age.
- (ii) The employees of the subsidiary of the Group established in the United Kingdom ("UK") participate in a defined contribution scheme under the UK regulations. In accordance with the UK regulations, the subsidiary is required to contribute to the scheme at rates based on employees' salaries. Employees of the subsidiary in the UK are entitled to benefits from the scheme upon reaching the statutory retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.



(c) Other items

	Note	Year ended 31 December			Eight months ended 31 August	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of inventories sold (Note (i))	16(b)	627,976	339,349	420,343	288,232	332,526
Depreciation charges:						
- owned property, plant and equipment	11	1,712	4,361	4,235	2,848	2,863
- right-of-use assets	12	2,011	4,632	3,522	2,437	2,087
Expense relating to short- term leases	12	4,019	496	1,090	646	1,592
Research and development expenses (Note (ii))		523	3,906	3,538	1,984	3,821
Amortisation cost of intangible assets	13	3	17	35	12	393
Listing expenses		1,173	-	13,400	3,718	6,459
Provision/(reversal) of impairment loss on trade receivables	26(a)	73	274	123	(33)	101

Notes:

- (i) Cost of inventories recognised as expenses includes amounts relating to staff costs, depreciation and amortisation expenses which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.
- (ii) During the Relevant Periods, research and development expenses include staff costs of RMB409,000, RMB2,503,000, RMB2,496,000, RMB1,371,000 (unaudited) and RMB3,098,000 for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025, respectively, which are also included in the total amounts of staff costs disclosed Note 6(b).

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current tax:					
Provision for the year/period	38,317	15,656	18,682	13,784	17,992
Deferred tax:					
Origination and reversal of temporary differences	240	21	918	720	386
	38,557	15,677	19,600	14,504	18,378



(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Profit before taxation	152,408	64,678	79,005	61,213	74,619
Notional tax on profit before taxation calculated at the rates applicable to profits in the jurisdiction concerned (Note(i))	38,242	16,282	19,920	15,228	18,806
Tax effect of additional deduction on research and development expenses (note (ii))	(131)	(976)	(884)	(510)	(982)
Tax effect of non-deductible expenses	11	14	369	10	1,048
Tax effect of utilisation of the tax losses not recognised as deferred tax assets in previous years	-	-	(21)	(227)	(507)
Tax effect of deductible temporary differences and tax losses not recognised	435	357	216	3	13
Actual tax expense	38,557	15,677	19,600	14,504	18,378

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

The applicable profit tax rate of the Group's subsidiary incorporated in Hong Kong was 16.5% for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%. The subsidiary of the Group incorporated in Hong Kong did not have any assessable profits for the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025.

The subsidiaries of the Group incorporated in the PRC are subject to the PRC Corporate Income Tax ("CIT") at a statutory rate of 25%.

The subsidiary of the Group incorporated in the United Kingdom is liable to UK Corporation Tax at Small Profit Rate of 19% for the years ended 31 December 2022, 2023 and 2024 and is liable to UK Corporation Tax of 25% for the eight months ended 31 August 2025.

- (ii) Under the PRC CIT Law and its relevant regulations, 100% additional tax deduction is allowed for qualified research and development costs during the Relevant Periods.



8 DIRECTORS' EMOLUMENTS

Directors' emoluments are recorded in the Historical Financial Information are set out below:

Year ended 31 December 2022

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note 23)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Lei Yang (Note (i))	-	150	-	-	150	-	150
Wu Guihua (Note (i))	-	328	141	7	476	-	476
Non-executive directors							
Yang Baoqing (Note (ii))	-	-	-	-	-	-	-
Wen Meixia (Note (iii))	-	-	-	-	-	-	-
	-	478	141	7	626	-	626

Year ended 31 December 2023

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note 23)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Lei Yang (Note (i))	-	367	63	-	430	-	430
Wu Guihua (Note (i))	-	442	183	7	632	-	632
Non-executive directors							
Yang Baoqing (Note(ii))	-	-	-	-	-	-	-
Wen Meixia (Note(iii))	-	-	-	-	-	-	-
	-	809	246	7	1,062	-	1,062

Year ended 31 December 2024

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note 23)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Lei Yang (Note (i))	-	574	108	-	682	-	682
Wu Guihua (Note (i))	-	517	236	7	760	1,353	2,113
Non-executive directors							
Yang Baoqing (Note(ii))	-	-	-	-	-	-	-
Wen Meixia (Note (iii))	-	-	-	-	-	-	-
Independent non-executive directors							
Ding Feng (Note (iv))	-	-	-	-	-	-	-
Han Hongling (Note (iv))	-	-	-	-	-	-	-
Shu Yuanchao (Note (iv))	-	-	-	-	-	-	-
	-	1,091	344	7	1,442	1,353	2,795



Eight months ended 31 August 2025

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note 23)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Lei Yang (Note (i))	-	456	121	-	577	-	577
Wu Guihua (Note (i))	-	347	138	6	491	-	491
Non-executive directors							
Yang Baoqing (Note (ii))	-	-	-	-	-	-	-
Wen Meixia (Note (iii))	-	-	-	-	-	-	-
Independent non-executive directors							
Ding Feng (Note (iv))	-	-	-	-	-	-	-
Han Hongling (Note (iv))	-	-	-	-	-	-	-
Shu Yuanchao (Note (iv))	-	-	-	-	-	-	-
	-	803	259	6	1,068	-	1,068

Eight months ended 31 August 2024 (unaudited)

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note 23)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Lei Yang (Note (i))	-	264	83	-	347	-	347
Wu Guihua (Note (i))	-	345	139	6	490	-	490
Non-executive directors							
Yang Baoqing (Note (ii))	-	-	-	-	-	-	-
Wen Meixia (Note (iii))	-	-	-	-	-	-	-
	-	609	222	6	837	-	837

Notes:

- (i) Ms. Lei Yang and Mr. Wu Guihua were appointed as the executive directors of the Company on 18 October 2024. Ms. Lei Yang joined Topsun Group in 2019 and her emoluments disclosed above represented the compensations for her services as sales director of the fishing-related equipment division of Topsun Group, executive director and the general manager of Zhejiang Ridge Outdoor or the executive director of the Company. Mr. Wu Guihua joined Topsun Group in 2009 and his emoluments disclosed above represented the compensations for his services as general manager of the fishing-related equipment division of Topsun Group, deputy general manager of Zhejiang Ridge Outdoor or the executive director of the Company.
- (ii) Mr. Yang Baoqing was appointed as the non-executive director of the Company on 17 July 2024. No emoluments were paid by the fishing-related equipment division of Topsun Group, Zhejiang Ridge Outdoor or the Company to Mr. Yang Baoqing during the Relevant Periods.
- (iii) Ms. Wen Meixia was appointed as the non-executive director of the Company on 18 October 2024. No emoluments were paid by the fishing-related equipment division of Topsun Group, Zhejiang Ridge Outdoor or the Company to Ms. Wen Meixia during the Relevant Periods.
- (iv) Mr. Ding Feng, Mr. Han Hongling, Mr. Shu Yuanchao were appointed as the independent non-executive director of the Company on 12 November 2024 with effect from the date of the Prospectus.



- (v) During the Relevant Periods, no director has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments of the Group during the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025, one, one, two, one (unaudited) and two are directors, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining four, four, three, four (unaudited) and three individuals during the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2024 and 2025 are as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, allowance and benefits in kind	2,364	2,381	1,921	1,557	1,841
Discretionary bonuses	477	188	79	41	116
Retirement scheme contributions	70	83	41	46	36
	2,911	2,652	2,041	1,644	1,993

The emoluments of the individuals who are not directors and with the highest emoluments are within the following bands:

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals (Unaudited)	Number of individuals
HK\$ Nil to HK\$1,000,000	3	4	3	4	3
HK\$1,000,001 to HK\$1,500,000	1	-	-	-	-

10 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion for the purpose of this report is not considered meaningful due to the Reorganisation and the preparation of the results of the Group for the Relevant Periods on the basis as disclosed in Note 1.



11 PROPERTY, PLANT AND EQUIPMENT

	Plant and Buildings	Equipment and machinery	Office equipment and furniture	Motor vehicles	Lease hold improvements	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Cost:						
At 1 January 2022	-	16,222	868	111	-	17,201
Additions	38,549	1,659	101	-	-	40,309
Disposals	-	(533)	-	-	-	(533)
Exchange adjustments	-	(31)	(16)	(3)	-	(50)
At 31 December 2022 and 1 January 2023	38,549	17,317	953	108	-	56,927
Additions	-	1,028	130	-	-	1,158
Disposals	-	(1,413)	-	-	-	(1,413)
Exchange adjustments	-	98	58	8	-	164
At 31 December 2023 and 1 January 2024	38,549	17,030	1,141	116	-	56,836
Additions	-	1,277	99	-	253	1,629
Disposals	-	(500)	-	(118)	-	(618)
Exchange adjustments	-	6	5	2	-	13
At 31 December 2024 and 1 January 2025	38,549	17,813	1,245	-	253	57,860
Additions	-	1,408	566	-	-	1,974
Disposals	-	(359)	-	-	-	(359)
Exchange adjustments	-	78	59	-	-	137
At 31 August 2025	38,549	18,940	1,870	-	253	59,612
Accumulated depreciation:						
At 1 January 2022	-	(11,422)	(529)	(22)	-	(11,973)
Charge for the year	(237)	(1,356)	(100)	(19)	-	(1,712)
Written back on disposals	-	470	-	-	-	470
Exchange adjustments	-	24	8	-	-	32
At 31 December 2022 and 1 January 2023	(237)	(12,284)	(621)	(41)	-	(13,183)
Charge for the year	(2,844)	(1,419)	(82)	(16)	-	(4,361)
Written back on disposals	-	1,049	-	-	-	1,049
Exchange adjustments	-	(83)	(35)	(4)	-	(122)
At 31 December 2023 and 1 January 2024	(3,081)	(12,737)	(738)	(61)	-	(16,617)
Charge for the year	(2,844)	(1,281)	(101)	(9)	-	(4,235)
Written back on disposals	-	453	-	69	-	522
Exchange adjustments	-	(5)	(5)	1	-	(9)
At 31 December 2024 and 1 January 2025	(5,925)	(13,570)	(844)	-	-	(20,339)
Charge for the period	(1,896)	(818)	(104)	-	(45)	(2,863)
Written back on disposals	-	329	-	-	-	329
Exchange adjustments	-	(73)	(37)	-	-	(110)
At 31 August 2025	(7,821)	(14,132)	(985)	-	(45)	(22,983)
Net book value:						
At 31 December 2022	38,312	5,033	332	67	-	43,744
At 31 December 2023	35,468	4,293	403	55	-	40,219
At 31 December 2024	32,624	4,243	401	-	253	37,521
At 31 August 2025	30,728	4,808	885	-	208	36,629



Certain motor vehicle and plant and buildings were pledged as security for bank loans during the Relevant Periods (see Note 21).

12 RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Plant and buildings RMB'000	Total RMB'000
Cost:			
At 1 January 2022	-	1,042	1,042
Additions	629	14,869	15,498
Exchange adjustments	-	(25)	(25)
At 31 December 2022 and 1 January 2023	629	15,886	16,515
Additions	-	2,147	2,147
Disposals	-	(6,895)	(6,895)
Exchange adjustments	-	109	109
At 31 December 2023 and 1 January 2024	629	11,247	11,876
Disposals	-	(1,086)	(1,086)
Exchange adjustments	-	9	9
At 31 December 2024 and 1 January 2025	629	10,170	10,799
Exchange adjustments	-	129	129
At 31 August 2025	629	10,299	10,928
Accumulated depreciation:			
At 1 January 2022	-	(434)	(434)
Charge for the year	(2)	(2,009)	(2,011)
Exchange adjustments	-	7	7
At 31 December 2022 and 1 January 2023	(2)	(2,436)	(2,438)
Charge for the year	(18)	(4,614)	(4,632)
Written back on disposals	-	2,987	2,987
Exchange adjustments	-	(39)	(39)
At 31 December 2023 and 1 January 2024	(20)	(4,102)	(4,122)
Charge for the year	(18)	(3,504)	(3,522)
Written back on disposals	-	1,086	1,086
Exchange adjustments	-	1	1
At 31 December 2024 and 1 January 2025	(38)	(6,519)	(6,557)
Charge for the period	(12)	(2,075)	(2,087)
Exchange adjustments	-	(38)	(38)
At 31 August 2025	(50)	(8,632)	(8,682)
Net book value:			
At 31 December 2022	627	13,450	14,077
At 31 December 2023	609	7,145	7,754
At 31 December 2024	591	3,651	4,242
At 31 August 2025	579	1,667	2,246

The land use rights were pledged as security for bank loans during the Relevant Periods (see Note 21).



The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:					
Land use rights	2	18	18	12	12
Plant and buildings	2,009	4,614	3,504	2,425	2,075
	<u>2,011</u>	<u>4,632</u>	<u>3,522</u>	<u>2,437</u>	<u>2,087</u>
Interest on lease liabilities (Note 6(a))	168	357	249	182	88
Expense relating to short-term leases	4,019	496	1,090	646	1,592

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 18(e) and Note 22 respectively.

(a) Land use rights

Land in respect of land use rights is located in the PRC with a lease period of 30 years when obtained.

(b) Properties leased for own use

The Group leases various office buildings and warehouses in the PRC and the UK. The Group has obtained the right to use properties through tenancy agreements. The leases typically run for an initial period of 3 to 5 years.

Some leases include an option to terminate the lease before the end of the contract term. The Group considers it reasonably certain not to exercise the option to early terminate at lease commencement date.

(c) The analysis of the net book value of right-of-use assets by remaining lease term is as follows:

	As at 31 December			As at 31 August
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Between 5 to 20 years	537	519	501	489
Less than 5 years	13,540	7,235	3,741	1,757
	<u>14,077</u>	<u>7,754</u>	<u>4,242</u>	<u>2,246</u>

13 INTANGIBLE ASSETS

	Patents RMB'000	Software RMB'000	Total RMB'000
Cost:			
At 1 January 2022	9	-	9
Additions	51	-	51
At 31 December 2022 and 1 January 2023	60	-	60
Additions	22	-	22
Exchange adjustments	5	-	5
At 31 December 2023 and 1 January 2024	87	-	87
Additions	6	383	389
At 31 December 2024 and 1 January 2025	93	383	476
Additions	11	1,134	1,145
Exchange adjustments	5	-	5
At 31 August 2025	109	1,517	1,626
Accumulated amortisation:			
At 1 January 2022	(7)	-	(7)
Charge for the year	(3)	-	(3)
At 31 December 2022 and 1 January 2023	(10)	-	(10)
Charge for the year	(17)	-	(17)
Exchange adjustments	(1)	-	(1)
At 31 December 2023 and 1 January 2024	(28)	-	(28)
Charge for the year	(18)	(17)	(35)
At 31 December 2024 and 1 January 2025	(46)	(17)	(63)
Charge for the period	(14)	(379)	(393)
Exchange adjustments	(3)	-	(3)
At 31 August 2025	(63)	(396)	(459)
Net book value:			
At 31 December 2022	50	-	50
At 31 December 2023	59	-	59
At 31 December 2024	47	366	413
At 31 August 2025	46	1,121	1,167

The amortisation charge is included in "Administrative expenses", "Selling and distribution expenses" and "Research and development costs" in the consolidated statements of profit or loss and other comprehensive income.



14 INVESTMENTS IN SUBSIDIARIES

	As at 31 December 2024 RMB'000	As at 31 August 2025 RMB'000
Investment in subsidiaries, at cost (Note (i)):		
- Solar Tackle Limited	-	-
- Ridge Holding (HK) Limited	9	9
Investment arising from equity-settled share-based payment (Note (ii))	1,365	1,349
	<u>1,374</u>	<u>1,358</u>

Notes:

- (i) Details of the subsidiaries are set forth in Note 1.
- (ii) The amount represents share-based payment expenses arising from the shares of the Company transferred to one executive director of the Company (Note 23) in exchange for services provided to Zhejiang Ridge Outdoor, which were deemed to be investments made by the Company into the subsidiary.

15 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 31 August 2025 RMB'000
Derivative financial assets				
- Foreign currency forward contracts (Note (i))	648	261	-	-
- Foreign currency option contracts (Note (ii))	680	-	-	-
	<u>1,328</u>	<u>261</u>	<u>-</u>	<u>-</u>
Derivative financial liabilities				
- Foreign currency forward contracts (Note (i))	351	2,284	-	-
- Foreign currency option contracts (Note (ii))	846	-	-	-
	<u>1,197</u>	<u>2,284</u>	<u>-</u>	<u>-</u>

Notes:

- (i) The Group entered into several foreign currency forward contracts with certain banks to mitigate the currency risk arising from receivables denominated in United States Dollars ("USD").
- (ii) The Group entered into several foreign currency option contracts with banks to mitigate the currency risk arising from receivables denominated in USD.

16 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
Raw materials	15,545	18,771	24,089	18,750
Semi-finished products and work in Progress	23,534	20,810	38,493	36,751
Finished products	90,834	48,181	60,224	58,483
	129,913	87,762	122,806	113,984
Write down of inventories	(795)	(443)	(771)	(626)
	129,118	87,319	122,035	113,358

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December			Eight months ended	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Carrying amount of inventories sold	628,748	339,701	420,015	287,763	332,671
(Reversal of write down)/write down of inventories	(772)	(352)	328	469	(145)
	627,976	339,349	420,343	288,232	332,526

17 TRADE AND OTHER RECEIVABLES

Note	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Trade receivables, net of loss allowance	107,793	67,295	88,310	98,467
- third parties	107,749	45,092	87,443	90,470
- related parties	28(c) 44	22,203	867	7,997
Prepaid expenses to related parties - Trade related	28(c) -	-	-	89
Non-trade receivables due from related parties	28(c) -	-	1,089	-
Prepayments for listing expenses	-	-	4,722	6,753
Other prepayments	24	633	595	1,716
Value-added tax recoverable	12,197	1,783	6,443	2,630
Other receivables and deposits	1,669	225	274	219
	121,683	69,936	101,433	109,874

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.



Ageing analysis

As of the end of each reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables) based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 30 days.	20,566	38,977	33,473	58,732
31 days to 60 days	24,475	13,094	28,478	21,762
61 days to 90 days	26,049	5,232	16,169	17,534
91 days to 180 days	35,801	9,939	10,032	424
181 days to 1 year	755	24	121	13
1 year to 2 years	147	29	37	2
	<u>107,793</u>	<u>67,295</u>	<u>88,310</u>	<u>98,467</u>

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 26(a).

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	13,791	26,100	65,164	105,802
Other cash and cash equivalent	344	544	509	551
Cash and cash equivalents	<u>14,135</u>	<u>26,644</u>	<u>65,673</u>	<u>106,353</u>

The Company

	As at 31 December	As at 31 August
	2024	2025
	RMB'000	RMB'000
Cash at bank and on hand	<u>423</u>	<u>380</u>

Note:

- (i) As at 31 December 2022, 2023 and 2024 and 31 August 2025, cash and cash equivalents of the Group situated in the Chinese Mainland amounted to RMB4,877,000, RMB20,443,000, RMB59,067,000 and RMB98,373,000, respectively. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Restricted cash

As at 31 August 2025, restricted cash comprise certain pledged deposits held at the bank arising from a commercial dispute.



(c) Reconciliation of profit before taxation to cash generated from operations:

Note	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Profit before taxation	152,408	64,678	79,005	61,213	74,619
Adjustments for:					
Depreciation of property, plant and equipment	6(c) 1,712	4,361	4,235	2,848	2,863
Depreciation of right-of-use assets	6(c) 2,011	4,632	3,522	2,437	2,087
Amortisation of intangible assets	6(c) 3	17	35	12	393
Net loss on disposal of property, plant and equipment	5 -	-	28	25	12
Net gain on disposal of leases	5 -	(116)	-	-	-
Finance costs	6(a) 171	359	822	183	3,076
Interest income	5 (3)	(67)	(152)	(59)	(886)
Net realised and unrealised loss on derivative financial instruments	5 1,720	7,407	3,375	3,375	-
(Reversal)/provision of impairment loss on inventories	(772)	(352)	328	469	(145)
Provision/(reversal) of impairment loss on trade receivables	73	274	123	(33)	101
Foreign exchange (gain)/loss	(100)	(136)	(94)	(3)	395
Share-based payment expenses	-	-	1,353	-	-
	157,223	81,057	92,580	70,467	82,515
Changes in working capital:					
Decrease/(increase) in inventories	55,495	42,151	(35,044)	(12,682)	8,822
Decrease/(increase) in trade and other receivables	13,791	51,457	(25,809)	(42,714)	(7,612)
Increase in restricted cash	-	-	-	-	(1,139)
Increase/(decrease) in trade and other payables	59,594	(75,726)	34,478	25,691	6,493
(Decrease)/increase in contract liabilities	(31,783)	(1,418)	7,006	7,651	(4,526)
Cash generated from operations	254,320	97,521	73,211	48,413	84,553

(d) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flow as cash flows from financing activities.

	Lease liabilities	Bank loans	Non-trade payables due to related parties (included in trade and other payables)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 22)</i>	<i>(Note 21)</i>	<i>(Note 19)</i>	
At 1 January 2022	649	129	4,695	5,473
Changes from financing cash flows:				
Capital element of lease rentals paid	(913)	-	-	(913)
Interest element of lease rentals paid	(168)	-	-	(168)
Repayment of bank loans	-	(26)	-	(26)
Interest paid	-	(3)	-	(3)
Total changes from financing cash flows	(1,081)	(29)	-	(1,110)
Exchange adjustments	(20)	-	(114)	(134)
Other change:				
Increase in lease liabilities from entering into new leases during the year	13,722	-	-	13,722
Interest expenses (Note 6(a))	168	3	-	171
Total other change	13,890	3	-	13,893
At 31 December 2022 and 1 January 2023	13,438	103	4,581	18,122
Changes from financing cash flows:				
Capital element of lease rentals paid	(4,439)	-	-	(4,439)
Interest element of lease rentals paid	(357)	-	-	(357)
Repayment of bank loans	-	(23)	-	(23)
Interest paid	-	(2)	-	(2)
Total changes from financing cash flows	(4,796)	(25)	-	(4,821)
Exchange adjustments	73	4	353	430
Other changes:				
Increase in lease liabilities from entering into new leases during the year	2,147	-	-	2,147
Decrease in lease liabilities from early termination of lease contracts	(4,024)	-	-	(4,024)
Interest expenses (Note 6(a))	357	2	-	359
Total other changes	(1,520)	2	-	(1,518)
At 31 December 2023	7,195	84	4,934	12,213

	Lease liabilities RMB'000 (Note 22)	Bank loans RMB'000 (Note 21)	Non-trade payables due to related parties (included in trade and other payables) RMB'000 (Note 19)	Total RMB'000
At 31 December 2023	7,195	84	4,934	12,213
Changes from financing cash flows:				
Capital element of lease rentals paid	(3,408)	-	-	(3,408)
Proceeds from bank loans	-	100,000	-	100,000
Proceeds from borrowings from related parties	-	-	168,330	168,330
Interest element of lease rentals paid	(249)	-	-	(249)
Repayment of bank loans	-	(85)	-	(85)
Repayment of borrowings from related parties	-	-	(17,874)	(17,874)
Interest paid	-	(481)	-	(481)
Total changes from financing cash flows	(3,657)	99,434	150,456	246,233
Exchange adjustments	13	1	2	16
Other changes:				
Interest expenses (Note 6(a))	249	573	-	822
Total other changes	249	573	-	822
At 31 December 2024	3,800	100,092	155,392	259,284

	Lease liabilities RMB'000 (Note 22)	Bank loans RMB'000 (Note 21)	Non-trade payables due to related parties (included in trade and other payables) RMB'000 (Note 19)	Total RMB'000
At 31 December 2024	3,800	100,092	155,392	259,284
Changes from financing cash flows:				
Proceeds from bank loans	-	180,000	-	180,000
Capital element of lease rentals paid	(2,417)	-	-	(2,417)
Interest element of lease rentals paid	(88)	-	-	(88)
Repayment of bank loans	-	(50,000)	-	(50,000)
Repayment of borrowings from related parties	-	-	(150,000)	(150,000)
Interest paid	-	(2,894)	-	(2,894)
Total changes from financing cash flows	(2,505)	127,106	(150,000)	(25,399)
Exchange adjustments	93	-	663	756
Other changes:				
Interest expenses (Note 6(a))	88	2,988	-	3,076
Total other changes	88	2,988	-	3,076
At 31 August 2025	1,476	230,186	6,055	237,717



(e) Total cash outflow for leases:

Amounts included in the cash flow statement for leases comprise the following:

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Within operating cash flows	4,019	496	1,090	646	1,592
Within financing cash flows	1,081	4,796	3,657	2,737	2,505
	5,100	5,292	4,747	3,383	4,097

These amounts are related to lease rentals paid.

19 TRADE AND OTHER PAYABLES

The Group

Note	As at 31 December			As at 31 August
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade payables	140,072	60,274	86,080	92,447
- third parties	64,795	59,612	76,107	88,418
- related parties	75,277	662	9,973	4,029
Accrued payroll and other benefits	8,139	11,129	14,854	13,824
Listing expense payables	-	-	6,766	7,315
Other tax payables	425	1,367	1,521	1,624
Other payables and accruals	605	1,343	1,661	1,985
Non-trade payables due to related parties	4,581	4,934	155,392	6,055
	153,822	79,047	266,274	123,250

All trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the Relevant Periods, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 31 December			As at 31 August
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 90 days	124,981	59,877	86,057	90,092
91 days to 1 year	14,657	386	18	2,355
1 year to 2 years	434	11	5	-
	140,072	60,274	86,080	92,447



The Company

	Note	As at 31 December 2024 RMB'000	As at 31 August 2025 RMB'000
Non-trade payables due to related parties	28(c)	4,338	4,635

20 CONTRACT LIABILITIES

	2022 RMB'000	As at 31 December 2023 RMB'000	2024 RMB'000	As at 31 August 2025 RMB'000
Advances from customers	6,853	5,435	12,441	7,915

Movements in contract liabilities

	2022 RMB'000	As at 31 December 2023 RMB'000	2024 RMB'000	As at 31 August 2025 RMB'000
At the beginning of the year/period	22,085	6,853	5,435	12,441
Decrease in contract liabilities as are result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(22,085)	(6,853)	(5,435)	(12,161)
Increase in contract liabilities as are result of advances from customers	6,853	5,435	12,441	7,635
Balance at the end of the year/period	6,853	5,435	12,441	7,915

All of the contract liabilities are expected to be recognised as income within one year.

21 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

	2022 RMB'000	As at 31 December 2023 RMB'000	2024 RMB'000	As at 31 August 2025 RMB'000
On demand	-	-	50,043	-
Within 1 year	25	27	50,049	230,186
	25	27	100,092	230,186
After 1 year but within 2 years	25	27	-	-
After 2 years but within 5 years	53	30	-	-
	78	57	-	-
	103	84	100,092	230,186

(b) Assets pledged as security and covenants for bank loans

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
Secured bank loans	103	84	50,049	150,104
Unsecured bank loans	-	-	50,043	80,082
	103	84	100,092	230,186

The secured bank loans of RMB103,000 and RMB84,000 as at 31 December 2022 and 2023 are borrowed by the Group for motor vehicle financing and are pledged by the motor vehicle with a carrying amount of RMB67,000 and RMB55,000 as at 31 December 2022 and 2023, respectively. In November 2024, the Group repaid this loan in advance before the maturity of the loan.

The secured loans of RMB50,049,000 as at 31 December 2024 are secured by the land use rights and plant and buildings with the carrying amount of RMB591,000 and RMB32,624,000 as at 31 December 2024, respectively. In February 2025, the Group repaid this loan in advance before the maturity of the loan.

The secured loans of RMB150,104,000 as at 31 August 2025 are secured by the land use rights and plant and buildings with the carrying amount of RMB579,000 and RMB30,728,000 as at 31 August 2025, respectively. These short-term bank loans will mature in February, March, May and June 2026.

As at 31 December 2024 and 31 August 2025, all of the Group's bank loans are subject to the fulfillment of covenants. As at 31 December 2024, some covenants are relating to the Group's financial metric, which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach certain covenants, it would permit banks to request the related loans payable on demand. Further details of the covenants and the Group's management of liquidity risk are set out in Note 26(b).

As at 31 December 2024, Zhejiang Ridge Outdoor, a subsidiary of the Group, failed to meet certain financial metric stipulated in a 13-month loan agreement dated 10 December 2024. The carrying amount of the related loan with the original maturity date of January 2026 is RMB50,043,000 and is recorded in "Bank loans — on demand" as at 31 December 2024. On 21 March 2025, Zhejiang Ridge Outdoor signed a supplementary agreement with the related bank only to amend and remove the relevant financial metric of such loan agreement. The bank did not demand any immediate payment or request to terminate any existing banking facility or loan agreement. The maturity date of this loan remained unchanged, i.e. January 2026. As at 31 August 2025, Zhejiang Ridge Outdoor was in compliance with the relevant covenants of the loans. The carrying amount of the aforementioned loan was RMB50,043,000, classified as "Bank loans — within 1 year" based on its remaining maturity. This bank loan was repaid in December 2025.

22 LEASE LIABILITIES

As of the end of the Relevant Periods, the lease liabilities were repayable as follows:

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
Within 1 year	8,298	4,052	2,506	465
After 1 year but within 2 years	3,759	1,802	448	494
After 2 years but within 5 years	1,381	1,341	846	517
	5,140	3,143	1,294	1,011
	13,438	7,195	3,800	1,476

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 18 October 2024, GreatCast International Limited, which is wholly-owned by Mr. Yang Baoqing, the Ultimate Controlling Shareholder of the Group, transferred 6,707,600 shares, representing 6.71% of the equity shares in the Company, to Outrider Investment Limited Partnership, at a consideration of USD3,353.8 (USD0.0005 per share).

Outrider Investment Limited Partnership was formed as a limited partnership with legal personality under the laws of the BVI on 3 October 2024 and was owned as to (i) 1.00% by its general partner, Taihong International Limited, a limited liability company incorporated under the laws of the BVI on 3 September 2024, which was in turn wholly owned by Mr. Yang Baoqing; and (ii) 99.00% by 24 limited partners, who were the awardees as determined by Mr. Yang Baoqing.

Amongst these 24 limited partners, Mr. Wu Guihua, executive Director of the Company, was awarded to hold 6.71% of Outrider Investment Limited Partnership at a below-fair-value consideration of USD225.04, representing 0.45% of the equity shares in the Company, due to his past contributions to the Group before and throughout the Relevant Periods. The remaining 23 limited partners, who were the employees of the other entities (outside the Group) controlled by Mr Yang Baoqing, were awarded to hold 93.29% of Outrider Investment Limited Partnership, representing 6.26% of the equity shares in the Company.

The fair value of services received from Mr. Wu Guihua in return for the indirect equity interests in the Company was measured by reference to the difference between the fair value of shares transferred and the subscription price paid by Mr. Wu Guihua. The fair value of the shares transferred is measured at the transfer date and assessed by an independent appraiser, which was performed using the discounted cash flow model ("DCF model"). Best estimates of key assumptions are required to be determined by management. Key assumptions used in determining the fair value of the shares transferred are as follows:

Fair value of the shares transferred and assumptions:

Fair value at measurement date (18 October 2024)	RMB3.01 per share
Risk-free interest rate	2.16%
Lack of marketability discount	10.0%

No service requirements or any other conditions is attached to this share transfer transaction. The Group has recorded equity-settled share-based payment expenses in administrative expenses of RMB1,353,000 for the shares transferred to Mr. Wu Guihua by the Ultimate Controlling Shareholder of the Group during the year ended 31 December 2024 in accordance with the accounting policy adopted for share-based payments in Note 2(q)(ii).

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents

	As at 31 December			As at 31 August
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January	-	3,625	10,626	3,032
Provision for current income tax for the year/period	38,317	15,656	18,682	17,992
Deemed contribution (Note 1 and Note 25(c))	(34,692)	(1,151)	(690)	-
Payments during the year/period	-	(7,504)	(25,586)	(15,614)
As at 31 December/31 August	3,625	10,626	3,032	5,410

(b) Deferred tax assets and liabilities recognised

(i) *The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Relevant Periods are as follows:*

	Right-of-use assets	Lease liabilities	Credit loss allowances	Property and plant	Impairment of inventories	Accruals	Fair value change of derivative financial instruments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Deferred tax arising from:</i>								
At 1 January 2022	(116)	116	1	-	391	-	-	392
(Charged)/Credited to profit or loss	(3,249)	3,225	-	(27)	(191)	35	(33)	(240)
Credited to reserve	4,817	-	-	4,477	-	-	-	9,294
Exchange adjustments	4	(4)	-	-	-	-	-	-
At 31 December 2022 and 1 January 2023	1,456	3,337	1	4,450	200	35	(33)	9,446
Credited/(Charged) to profit or loss	1,538	(1,681)	6	(322)	(90)	(11)	539	(21)
Exchange adjustments	(14)	14	-	-	-	-	-	-
At 31 December 2023 and 1 January 2024	2,980	1,670	7	4,128	110	24	506	9,425
Credited/(Charged) to profit or loss	676	(823)	(1)	(322)	82	(24)	(506)	(918)
At 31 December 2024 and 1 January 2025	3,656	847	6	3,806	192	-	-	8,507
Credited/(Charged) to profit or loss	436	(565)	(6)	(215)	(36)	-	-	(386)
	4,092	282	*	3,591	156	-	-	8,121

Note:

* Less than 1,000.

(ii) *Reconciliation to the consolidated statements of financial position*

	As at 31 December			As at 31 August 2025
	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	9,446	9,425	8,507	8,121

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(r), as at 31 December 2022, 2023 and 2024 and 31 August 2025, the Group did not recognise deferred tax assets in respect of certain subsidiaries' cumulative tax losses of RMB7,218,000, RMB9,331,000, RMB10,278,000 and RMB6,865,000 and deductible temporary differences of RMB243,000, RMB155,000, RMB224,000 and RMB143,000, respectively, as it is not probable that future taxable profits will be available against which unused tax losses and deductible temporary differences can be utilised.

The expiration information of the Group's unused tax losses is set out below:

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
2029	-	-	39	39
2030	-	-	-	1
Deductible losses without expiry date	7,218	9,331	10,239	6,825
	<u>7,218</u>	<u>9,331</u>	<u>10,278</u>	<u>6,865</u>

(d) Deferred tax liabilities not recognised

According to PRC corporate income tax laws and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008.

As at 31 December 2024 and 31 August 2025, the Group has determined that certain retained profits of the Group's PRC subsidiaries are not probable to be distributed in the foreseeable future, therefore, the Group did not recognise deferred tax liabilities of RMB3,513,000 and RMB8,392,000 on PRC dividend withholding taxes as at 31 December 2024 and 31 August 2025, respectively.

25 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on 17 July 2024. The initial authorised share capital of our Company was USD50,000 divided into 50,000 shares with a par value of USD1.00 each.

On 18 October 2024, each of the Company's authorised shares with a par value of USD1.00 each was subdivided into 2,000 shares with a par value of USD0.0005 each. On the same date, the authorised share capital of the Company was increased from USD50,000 divided into 100,000,000 shares with a par value of USD0.0005 each to USD500,000 divided into 1,000,000,000 shares with a par value of USD0.0005 each.

As at 31 December 2024 and 31 August 2025, 100,000,000 shares of the Company with a par value of USD0.0005 each (totalling USD50,000) was issued and fully paid.



(b) **Movements in components of equity**

Details of the changes in the Company's individual components of equity are set out below:

The Company

Note	Share capital RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total deficit RMB'000
Balance at 1 January 2024	-	-	-	-	-
Changes in equity for 2024:					
Total comprehensive income for the year	-	-	(13)	(401)	(414)
Issuance of new shares. 25(a)	356	-	-	-	356
Deemed distribution arising from the Reorganisation	-	(3,836)	-	-	(3,836)
Capital contributions under equity settled share-based transactions 23	-	1,353	-	-	1,353
Balance at 31 December 2024	<u>356</u>	<u>(2,483)</u>	<u>(13)</u>	<u>(401)</u>	<u>(2,541)</u>
	Share capital RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total deficit RMB'000
Balance at 1 January 2025	356	(2,483)	(13)	(401)	(2,541)
Changes in equity for the eight months ended 31 August 2025:					
Total comprehensive income for the period	-	-	34	(390)	(356)
Balance at 31 August 2025	<u>356</u>	<u>(2,483)</u>	<u>21</u>	<u>(791)</u>	<u>(2,897)</u>

(c) **Net parent investment**

Prior to completion of the Reorganisation, the net parent investment represents the interest in net assets of the Listing Businesses which were managed and controlled by the fishing-related equipment division of Topsun Group under common control of the Ultimate Controlling Shareholder through the dates presented, inclusive of cumulative operating results. In addition, the transactions between the Group and Topsun Group for the operation and the transfer of net assets of the Listing Businesses during the Relevant Periods were reflected as deemed contribution from/distribution to the Ultimate Controlling Shareholder within equity in the Historical Financial Information.

(d) **Dividends**

In July 2024, the shareholder of Zhejiang Ridge Outdoor approved the profit distribution of RMB65,000,000 to 浙江泰普森實業集團有限公司 Zhejiang Hengfeng Top Leisure Co., Ltd. ("Zhejiang Topsun Industrial"), its then parent company of Zhejiang Ridge Outdoor. The dividend was paid in cash in September 2024.

Except for the dividends declared and paid by Zhejiang Ridge Outdoor mentioned above, no dividends were paid or declared by the Company and the other companies now comprising the Group during the Relevant Periods.

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve as at 31 December 2022 and 2023 represents the aggregate amount of paid-in capital and capital reserve of the entities now comprising the Group. The capital reserve as at 31 December 2024 represents i) the merger reserve arising from the Reorganisation which represents the excess of the aggregate amount of paid-in capital and capital reserve of the subsidiaries comprising the Group over the considerations paid, and ii) the share-based payment reserve arising from the equity-settled share-based transactions recognised in accordance with the accounting policy adopted for share-based payments in Note 2(q)(ii) (see Note 23).

During the year ended 31 December 2022, Zhejiang Topsun Industrial, the then parent company of Zhejiang Ridge Outdoor, which is controlled by Mr Yang Baoqing, made a capital contribution to Zhejiang Ridge Outdoor, consisting of a cash consideration of RMB20,000,000, injections of land use right and plant including the input value-added tax of RMB42,996,000 and the corresponding deferred tax adjustments of RMB9,294,000.

As part of the Reorganisation, the Company acquired entire equity interests of Solar Tackle Limited from the Ultimate Controlling Shareholder at a consideration of GBP410,000 (equivalent to RMB3,836,000) in October 2024. The consideration paid was recognised as a deduction from capital reserve. The total consideration paid was recognised as a deduction in reserve in accordance with the accounting policy adopted for business combination under common in Note 2(c).

As part of the Reorganisation, 浙江樂欣創意產業有限公司 Zhejiang Ridge Creative Industry Co., Ltd., a subsidiary of the Group, acquired the entire equity interests of Zhejiang Ridge Outdoor from Zhejiang Topsun Industrial and non-controlling interests at a total consideration of RMB155,000,000 in November 2024. The consideration paid was recognised as a deduction from capital reserve. The total consideration paid was recognised as a deduction in reserve in accordance with the accounting policy adopted for business combination under common in Note 2(c).

(ii) Statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(iii) Exchange reserve

The exchange reserve comprises the foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iv) Non-controlling interests

Non-controlling interests represents the equity interests of Zhejiang Ridge Outdoor held by non-controlling shareholders before completion of the Reorganisation.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged throughout the years ended 31 December 2022, 2023 and 2024 and eight months ended 31 August 2025. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to meet its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities divided by its total assets, as at 31 December 2022, 2023 and 2024 and 31 August 2025 was 53.7%, 43.3%, 113.3% and 97.2%, respectively.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risk arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables.

The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash and derivative financial assets is limited because the counterparties are state-owned banks or reputable commercial banks for which the Group considers to have low credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables from third parties are due within 30 days to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The trade receivables from the Group's five largest customers at 31 December 2022, 2023 and 2024 and 31 August 2025 represented 81.1%, 68.7%, 74.8% and 60.7% of the total trade receivables respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases.

The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for trade receivables from related-party customers as the credit risk in respect of trade receivables from related-party customers is low.



The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables from third-party customers:

As at 31 December 2022		
Expected loss rate	Gross carrying amount	Loss allowance
%	RMB'000	RMB'000
Within credit periods	0.0%*	46,461
Overdue 1-30 days	0.0%*	31,817
Overdue 31-90 days	0.0%*	29,020
More than 90 days past due	33.9%	700
		(237)
	107,998	(249)

As at 31 December 2023		
Expected loss rate	Gross carrying amount	Loss allowance
%	RMB'000	RMB'000
Within credit periods	0.1%	25,950
Overdue 1-30 days	0.3%	10,388
Overdue 31-90 days	0.7%	8,757
More than 90 days past due	41.2%	182
		(75)
	45,277	(185)

As at 31 December 2024		
Expected loss rate	Gross carrying amount	Loss allowance
%	RMB'000	RMB'000
Within credit periods	0.0%*	62,136
Overdue 1-30 days	0.0%*	16,538
Overdue 31-90 days	0.4%	8,533
More than 90 days past due	40.3%	484
		(195)
	87,691	(248)

As at 31 August 2025		
Expected loss rate	Gross carrying amount	Loss allowance
%	RMB'000	RMB'000
Within credit periods	0.0%*	70,913
Overdue 1-30 days	0.1%	18,555
Overdue 31-90 days	0.7%	993
More than 90 days past due	75.7%	152
		(115)
	90,613	(143)

* Percentage less than 0.1%.

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.



Movement in the loss allowance account in respect of trade receivables during the Relevant Periods is as follows:

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
Balance at 1 January	179	249	185	248
Provision of impairment losses	73	274	123	101
Amounts written-off	-	(354)	(60)	(218)
Exchange adjustment	(3)	16	-	12
Balance at 31 December/31 August	249	185	248	143

Prepayments, other receivables and deposits

Credit risk in respect of prepayments, other receivables and deposits is limited since the balance mainly includes prepayments to reputable suppliers, value-added-tax recoverable and deposits to suppliers.

The Group measures loss allowances for prepayments, other receivables and deposits at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for prepayments, other receivables and deposits at 31 December 2022, 2023 and 2024 and 31 August 2025.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As disclosed in Note 21(b), all of the Group's bank loans obtained as at 31 December 2024 and 31 August 2025 are subject to the fulfilment of covenants. As at 31 December 2024, some covenants are relating to the Group's financial metric, which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach certain covenants, it would permit banks to request the related loans payable on demand.

As at 31 December 2024, Zhejiang Ridge Outdoor, a subsidiary of the Group, failed to meet certain financial metric stipulated in a 13-month loan agreement dated 10 December 2024. The carrying amount of the related loan with the original maturity date of January 2026 is RMB50,043,000 and is recorded in "Bank loans — on demand" as at 31 December 2024. Information about the covenants for the above mentioned bank loan as at 31 December 2024 is set out below.

Loans	Carrying amount	Covenants	Timing to comply with the covenants
	RMB'000		
The unsecured bank loans	50,043	(i) Total debt to total asset ratio of Zhejiang Ridge Outdoor shall be less than 50%	At any time throughout the loan term
		(ii) Total current asset to total current debt ratio of Zhejiang Ridge outdoor shall not be less than 150%	



On 21 March 2025, the Group signed a supplementary agreement with the related bank only to amend and remove the relevant financial metric of such loan agreement. The bank did not demand any immediate payment or request to terminate any existing banking facility or loan agreement. The maturity date of this loan remained unchanged, i.e. January 2026. As at 31 August 2025, Zhejiang Ridge Outdoor was in compliance with the relevant covenants of the loans. The carrying amount of the aforementioned loan was RMB50,043,000, classified as "Bank loans — within 1 year" based on its remaining maturity. This bank loan was repaid in December 2025.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay.

As at 31 December 2022						
Contractual undiscounted cash outflow						Carrying amount at 31 December
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total		
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000		
Bank loans	27	27	54	-	108	103
Trade and other payables	153,822	-	-	-	153,822	153,822
Lease liabilities	8,830	4,011	1,403	-	14,244	13,438
	162,679	4,038	1,457	-	168,174	167,363
Derivatives settled gross:						
Foreign currency option contracts						
- outflow	(259,427)	-	-	-	(259,427)	
- inflow	259,558	-	-	-	259,558	

As at 31 December 2023						
Contractual undiscounted cash outflow						Carrying amount at 31 December
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total		
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000		
Bank loans	29	28	30	-	87	84
Trade and other payables	79,047	-	-	-	79,047	79,047
Lease liabilities	4,300	1,914	1,404	-	7,618	7,195
	83,376	1,942	1,434	-	86,752	86,326
Derivatives settled gross:						
Foreign currency option contracts						
- outflow	(203,753)	-	-	-	(203,753)	
- inflow	201,730	-	-	-	201,730	

As at 31 December 2024					
Contractual undiscounted cash outflow					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Bank loans	100,647	-	-	100,647	100,092
Trade and other payables	266,274	-	-	266,274	266,274
Lease liabilities	2,618	512	897	4,027	3,800
	369,539	512	897	370,948	370,166

As at 31 August 2025					
Contractual undiscounted cash outflow					
Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Bank loans	233,584	-	-	233,584	230,186
Trade and other payables	123,250	-	-	123,250	123,250
Lease liabilities	542	542	-	1,626	1,476
	357,376	542	542	358,460	354,912

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank loans. Bank loans issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below:

(i) Interest rate profile

The following table details the interest rate profile of the Group's bank loans as at the end of each reporting period:

	As at 31 December						As at 31 August	
	2022		2023		2024		2025	
	Effective Interest rate	Amount	Effective Interest rate	Amount	Effective Interest rate	Amount	Effective Interest rate	Amount
	%	RMB '000	%	RMB '000	%	RMB '000	%	RMB '000
Fixed rate borrowings:								
Bank loans	2.50%	103	2.50%	84	3.20%	50,049	2.60%	180,143
Variable rate borrowings:							2.65%	
Bank loans	-	-	-	-	2.80%	50,043	2.80%	50,043
Total borrowings		103		84		100,092		230,186
Fixed rate borrowings as a percentage of total borrowings	100%		100%		50%		78%	

(ii) **Sensitivity analysis**

At 31 December 2022, 2023 and 2024 and 31 August 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately nil, nil, RMB375,000 and RMB250,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of each reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expenses of such changes in interest rates.

(d) **Currency risk**

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD, HKD, GBP and EUR. The Group uses foreign currency forward contracts and foreign currency option contracts to manage its currency risk.

(i) **Exposure to currency risk**

The following table details the Group's exposure at the end of the reporting periods to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

Exposure to foreign currencies (expressed in RMB'000)								
As at 31 December								
	2022		2023		2024			
	USD RMB'000	EUR RMB'000	USD RMB'000	EUR RMB'000	USD RMB'000	EUR RMB'000	GBP RMB'000	HKD RMB'000
Trade and other receivables	129,017	2,019	58,725	1,700	88,995	1,492	-	-
Cash and cash equivalents	3,917	7,686	13,447	5,959	27,994	1,420	-	21
Trade and other payables	(25,365)	(144)	(21,184)	(176)	(29,982)	(270)	(408)	(14)
Gross exposure arising from recognised assets and liabilities	107,569	9,561	50,988	7,483	87,007	2,642	(408)	7
Notional amounts of forward exchange contracts and foreign currency option contracts used as economic hedge	(259,558)	-	(201,730)	-	-	-	-	-
Net exposure arising from recognised assets and liabilities	(151,989)	9,561	(150,742)	7,483	87,007	2,642	(408)	7

Exposure to foreign currencies (expressed in RMB'000)			
As at 31 August			
2025			
	USD RMB'000	EUR RMB'000	HKD RMB'000
Trade and other receivables	94,891	2,012	-
Cash and cash equivalents	74,780	7,647	47
Trade and other payables	(30,498)	(333)	-
Net exposure arising from recognised assets and liabilities	139,173	9,326	47



(ii) **Sensitivity analysis**

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and net parent investment that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and net parent investment <i>RMB'000</i>
At 31 December 2022		
USD	5%	(6,160)
	-5%	6,160
EUR	5%	478
	-5%	(478)
At 31 December 2023		
USD	5%	(5,917)
	-5%	5,917
EUR	5%	275
	-5%	(275)
At 31 December 2024		
USD	5%	2,949
	-5%	(2,949)
EUR	5%	127
	-5%	(127)
GBP	5%	(15)
	-5%	15
HKD	5%	1
	-5%	(1)
At 31 August 2025		
USD	5%	4,838
	-5%	(4,838)
EUR	5%	425
	-5%	(425)
HKD	5%	2
	-5%	(2)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, and then translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.



(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: active Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in markets for identical assets or liabilities at the measurement date
- Level 2 valuations: meet Level inputs for Fair value measured using Level 2 inputs i.e. observable inputs which fail to 1, and not using significant unobservable inputs. Unobservable inputs are which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team performing valuations for the financial instruments categories into Level 2 of the fair value hierarchy. The team reports directly to the chief financial officer. Valuation assessment with analysis of changes in fair value measurement is prepared by the team at each reporting date and is reviewed and approved by the chief financial officer.

	Fair value at 31 December 2022 RMB'000	Fair value measurements as at 31 December categorized into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Derivative financial instruments:				
- Foreign currency forward contracts	297	-	297	-
- Foreign currency option contracts	(166)	-	(166)	-

	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December categorized into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Derivative financial instruments:				
- Foreign currency forward contracts	(2,023)	-	(2,023)	-

The Group did not have any assets or liabilities measured at fair value as at 31 December 2024 and 31 August 2025.

During the Relevant Periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.



Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of foreign currency forward contracts and foreign currency option contracts in Level 2 is determined by discounting the difference between the contractual forward exchange price and the current exchange price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2022, 2023 and 2024 and 31 August 2025.

27 COMMITMENTS

The Group does not have material commitments as at 31 December 2022, 2023 and 2024 and 31 August 2025.

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Names and relationship of the related parties that had material transactions with the Group during the Relevant Periods

Name of the related party	Relationship
<p>Topsun Group (including its subsidiaries)</p> <p>– 浙江泰普森控股集團有限公司</p> <p>*Zhejiang Topsun Holding Group Co. Ltd.</p> <p>– Zhejiang Topsun Industrial</p> <p>– 浙江泰普森科技有限公司</p> <p>*Zhejiang Hengfeng Technology Co., Ltd.</p> <p>– 浙江西域戶外用品有限公司</p> <p>*Zhejiang Xiyu Outdoor Co., Ltd.</p> <p>– 河南泰普森休閒用品有限公司</p> <p>*Henan Hengfeng Top Leisure Co., Ltd.</p> <p>– 浙江泰普森數字科技有限公司</p> <p>*Zhejiang Topsun Digital Technology Co., Ltd.</p> <p>– 河南泰普森戶外用品有限公司</p> <p>*Henan Hengfeng Outdoors Co., Ltd.</p> <p>– 我飛(浙江)戶外裝備科技有限公司</p> <p>*Wofei (Zhejiang) Outdoor Equipment Technology Co., Ltd.</p> <p>– 浙江樂富設計產業有限公司</p> <p>*Zhejiang Loftpower Design Industry Co., Ltd.</p> <p>– 浙江樂富文化旅遊投資管理有限公司</p> <p>*Zhejiang Loftpower Cultural Tourism Investment Management Co., Ltd.</p> <p>– 森陽戶外用品有限公司</p> <p>*Topsun Outdoors Limited</p>	Controlled by Mr. Yang Baoqing
<p>浙江泰合盛新材料科技有限公司</p> <p>*Zhejiang Techson Technology Co., Ltd.</p>	Entity controlled by Mr. Yang Baoqing
Solar Outdoors Investment Limited	Entity controlled by a close family member of Mr. Yang Baoqing
<p>浙江四方共協信息技術有限公司</p> <p>*Zhejiang Outsideasy Information Technology Co., Ltd.</p>	Entity controlled by a close family member of Mr. Yang Baoqing
<p>浙江康達工業設計有限公司</p> <p>*Zhejiang Kangda Industrial Design Co., Ltd.</p>	Entity controlled by Mr. Yang Baoqing

* The English name of the entities incorporated in the Chinese Mainland is translated from their registered Chinese name for identification purpose only.



(b) Transactions with related parties

	Year ended 31 December			Eight months ended 31 August	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Sales of goods					
Topsun Group	88,554	59,593	60,902	48,980	53,846
Zhejiang Techson Technology Co., Ltd.	-	4	3	1	-
Provision of processing services					
Topsun Group	184	405	148	49	-
Rental income					
Topsun Group	81	971	931	634	567
Sales of property, plant and equipment					
Topsun Group	57	327	10	10	13
Zhejiang Techson Technology Co., Ltd.	-	4	-	-	-
Purchase of goods					
Topsun Group	23,486	11,931	26,319	16,592	8,482
Zhejiang Techson Technology Co., Ltd.	-	-	1,395	1,183	101
Receiving processing services					
Topsun Group	33,062	5,218	5,523	4,618	3,088
Zhejiang Techson Technology Co., Ltd.	-	-	11	-	7
Receiving warehousing services					
Topsun Group	17,902	10,337	9,625	6,275	6,551
Receiving sales services					
Topsun Group	524	1,357	1,029	1,029	-
Receiving IT services					
Zhejiang Outsidesay Information Technology Co., Ltd.	900	900	900	600	536
Receiving other services					
Topsun Group	3,590	3,667	4,664	3,172	1,350
Short-term lease expense					
Topsun Group	3,933	389	777	518	982
Zhejiang Kangda Industrial Design Co., Ltd.	-	-	201	-	535
Purchase of property, plant and equipment					
Topsun Group	644	755	124	80	415
Zhejiang Techson Technology Co., Ltd.	-	-	-	-	13
Proceeds from borrowings					
Topsun Group	-	-	168,330	-	-
Repayment of borrowings					
Topsun Group	-	-	12,939	-	150,000
Solar Outdoors Investment Limited	-	-	4,935	-	-
Advance payments to related party					
Solar Outdoors Investment Limited	-	-	1,089	-	-
Receipts of advance payments to related party					
Solar Outdoors Investment Limited	-	-	-	-	1,089



The right-of-use assets and lease liabilities recognised for a long-term lease with a related party in respect of certain leasehold properties for operating activities are as below:

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Topsun Group					
Acquisitions of right-of-use assets	9,322	-	-	-	-
Interest expense on lease liabilities	89	260	130	98	22
Zhejiang Kangda Industrial Design Co., Ltd.					
Acquisitions of right-of-use assets	1,086	-	-	-	-
Interest expense on lease liabilities	9	25	4	4	-

In October 2022, the Group entered into a two-year lease in respect of office space from Zhejiang Kangda Industrial Design Co., Ltd., with annual rental fee of RMB612,000.

In October 2022, the Group entered into a three-year lease in respect of a warehouse from Topsun Group with annual rental fee of RMB2,807,000.

In October 2022, the Group entered into a three-year lease in respect of warehouse from Topsun Group with annual rental fee of RMB709,000. This lease agreement was terminated in June 2023. In July 2023, the Group entered into a new 12-month lease in respect of this warehouse with larger occupied areas from Topsun Group with total rental fee of RMB778,000.



(c) Balance with related parties

	As at 31 December			As at
	2022	2023	2024	31 August
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Amounts due from related parties				
- Trade related (i)				
Topsun Group	44	22,199	665	8,019
Zhejiang Techson Technology Co., Ltd.	-	-	1	-
Zhejiang Kangda Industrial Design Co., Ltd.	-	4	201	67
	<u>44</u>	<u>22,203</u>	<u>867</u>	<u>8,086</u>
Amounts due from related parties				
- Non-trade related				
Solar Outdoors Investment Limited	-	-	1,089	-
	-	-	1,089	-
	<u>44</u>	<u>22,203</u>	<u>1,956</u>	<u>8,086</u>
Amounts due to related parties				
- Trade related				
Topsun Group	74,665	662	9,447	3,895
Solar Outdoors Investment Limited	-	-	76	-
Zhejiang Outsidetech Information Technology Co., Ltd.	-	-	450	134
Zhejiang Kangda Industrial Design Co., Ltd.	612	-	-	-
Zhejiang Techson Technology Co., Ltd.	-	-	-	-
	<u>75,277</u>	<u>662</u>	<u>9,973</u>	<u>4,029</u>
Amounts due to related parties				
- Non-trade related (ii)				
Topsun Group	-	-	155,392	6,055
Solar Outdoors Investment Limited	4,581	4,934	-	-
	<u>4,581</u>	<u>4,934</u>	<u>155,392</u>	<u>6,055</u>
	<u>79,858</u>	<u>5,596</u>	<u>165,365</u>	<u>10,084</u>
Lease Liabilities - Trade related				
Topsun Group	8,532	4,761	2,084	-
Zhejiang Kangda Industrial Design Co., Ltd.	813	277	-	-
	<u>9,345</u>	<u>5,038</u>	<u>2,084</u>	<u>-</u>

Notes:

- (i) Amounts due from related parties-non-trade related are unsecured and interest-free. The ageing of amounts due from related parties, based on the invoice date, is within 1 year as at 31 December 2022, 2023 and 2024 and 31 August 2025.



- (ii) Amounts due to related parties-non-trade related are unsecured and interest-free.

As at 31 December 2024, amounts due to related parties-non-trade related primarily represent borrowings obtained by the Group from related parties to fund the equity acquisition payments pursuant to the Reorganisation. Among which, an amount of RMB150,000,000 due to Topsun Group will mature on 1 April 2025 or the date of the Company's hearing at Hong Kong Stock Exchange, whichever is later. During the eight months ended 31 August 2025, the Group repaid RMB150,000,000 due to Topsun Group.

The balance of remaining non-trade payables due to related parties as at 31 August 2025 was settled in December 2025.

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
Salaries, wages and other benefits	727	1,078	1,679	829	1,502
Discretionary bonuses	197	296	413	269	376
Contributions to defined contribution retirement plan	14	15	16	11	12
Equity-settled share-based payment	-	-	1,353	-	-
	<u>938</u>	<u>1,389</u>	<u>3,461</u>	<u>1,109</u>	<u>1,890</u>

Total remuneration is included in staff costs (see Note 6(b)).

29 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at the date of this report, the Directors consider the immediate parent of the Company to be GreatCast International Limited, which is incorporated in the British Virgin Islands, and the ultimate controlling party of the Company to be Mr. Yang Baoqing.

30 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have occurred since 31 August 2025.

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Relevant Periods and which have not been adopted in preparing the Historical Financial Information. These developments include the followings:

	<u>Effective for accounting periods beginning on or after</u>
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments</i> : <i>disclosures - Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments</i> : <i>disclosures - Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements. Minor amendments to IAS 7 *Statement of cash flows* are also made.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have a significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 31 August 2025.