The following is the text of a report, prepared for the purpose of incorporation in this Prospectus, received from the reporting accountants of the Company, Grant Thornton Hong Kong Limited.

Grant Thornton
致同

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BETTER HOME GROUP HOLDINGS CO., LIMITED AND GIRAFFE CAPITAL LIMITED

Introduction

We report on the historical financial information of Better Home Group Holdings Co., Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-5 to I-89, which comprises the consolidated statements of financial position of the Group as at 31 December 2018, 2019 and 2020 and 30 April 2021 and the statements of financial position of the Company as at 31 December 2019 and 2020 and 30 April 2021, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2021 (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-5 to I-89 forms an integral part of this report, which has been prepared for inclusion in the Prospectus of the Company dated 30 October 2021 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' Responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in notes 1.2 and 2.1 to the Historical Financial Information, respectively, 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 presentation and preparation set out in notes 1.2 and 2.1 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's consolidated financial position as at 31 December 2018, 2019 and 2020 and 30 April 2021, the financial position of the Company as at 31 December 2019 and 2020 and 30 April 2021 and of the Group's consolidated financial performance and consolidated cash flows for each of the Track Record Period in accordance with the basis of presentation and preparation set out in notes 1.2 and 2.1 to the Historical Financial Information, respectively.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2020 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in notes 1.2 and 2.1 to the Historical Financial Information respectively. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in notes 1.2 and 2.1 to the Historical Financial Information, respectively.

Report on Matters under the Rules Governing the Listing of Securities on the Main Board of 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-5 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends declared by the Group in respect of the Track Record Period.

No Historical Financial Statements for the Company

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

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor
Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

30 October 2021

Lin Ching Yee Daniel
Practising Certificate No.: P02771

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Grant Thornton Hong Kong Limited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") (the "**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Four months ended 30 April	
		2018	2019	2020	2020	2021
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Revenue	*4*	328,748	336,553	384,740	112,842	126,240
Cost of sales		(237,729)	(242,124)	(270,452)	(76,553)	(91,417)
Gross profit		91,019	94,429	114,288	36,289	34,823
Other income	*5*	3,051	3,581	4,639	1,229	913
Selling and distribution expenses		(17,566)	(14,978)	(15,228)	(4,512)	(5,403)
Administrative and other operating expenses		(24,221)	(28,180)	(26,447)	(9,053)	(11,438)
Listing expenses		—	(5,974)	(7,683)	(3,286)	(1,184)
Finance costs	*6*	(624)	(718)	(334)	(241)	(42)
Other gains/(losses), net	*7*	4,244	1,628	(3,957)	(480)	(1,465)
Share of results of a joint venture		62	22	—	—	—
Profit before income tax	*8*	55,965	49,810	65,278	19,946	16,204
Income tax expense	*9*	(14,969)	(15,753)	(19,026)	(6,100)	(4,314)
Profit for the year/period		40,996	34,057	46,252	13,846	11,890
Other comprehensive (expense)/income, net of tax						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of foreign operations		(874)	(382)	110	155	661
Item that will not be reclassified subsequently to profit or loss:						
Financial assets at fair value through other comprehensive income — net movement in fair value reserves (non-recycling)		17	49	353	281	(209)
Other comprehensive (expense)/income for the year/period		(857)	(333)	463	436	452
Total comprehensive income for the year/period		40,139	33,724	46,715	14,282	12,342
Earnings per share attributable to equity holders of the Company						
Basic and diluted	*11*	N/A	N/A	N/A	N/A	N/A

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 April
		2018	2019	2020	2021
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*13*	88,034	94,777	94,365	92,421
Right-of-use assets	*14*	9,759	9,520	9,281	9,200
Deposits paid for acquisition of property, plant and equipment		1,796	4,217	1,139	2,076
Interest in a joint venture	*15*	242	—	—	—
Intangible assets	*16*	39	4	—	—
Financial assets at fair value through other comprehensive income	*17*	1,578	1,643	2,114	1,835
Deferred tax assets	*26*	1,785	2,136	1,686	1,287
		103,233	112,297	108,585	106,819
Current assets					
Inventories	*19*	34,023	51,449	60,052	73,949
Trade and other receivables	*20*	75,219	80,889	98,229	95,058
Financial assets at fair value through profit or loss	*18*	19,715	24,820	6,211	6,224
Amounts due from related parties	*24*	38,789	149	50	50
Pledged bank deposits	*21*	23,641	21,036	19,542	19,830
Cash and cash equivalents	*21*	23,601	23,649	69,655	68,886
		214,988	201,992	253,739	263,997
Current liabilities					
Trade and other payables	*22*	104,705	98,848	118,716	110,064
Contract liabilities	*23*	196	781	336	1,451
Bank borrowings	*25*	24,287	26,665	15,862	17,776
Amounts due to related parties	*24*	12,801	5,818	—	—
Income tax payable		22,149	24,444	21,504	22,950
		164,138	156,556	156,418	152,241
Net current assets		50,850	45,436	97,321	111,756
Total assets less current liabilities		154,083	157,733	205,906	218,575
Non-current liabilities					
Deferred tax liabilities	*26*	1,388	2,814	4,272	4,599
Net assets		152,695	154,919	201,634	213,976
CAPITAL AND RESERVES					
Share capital	*27*	429	—*	—*	—*
Reserves	*28*	152,266	154,919	201,634	213,976
Total equity		152,695	154,919	201,634	213,976

* The amount is less than RMB1,000

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		As at 30 April
		2019	**2020**	**2021**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries		1	1	1
Current assets				
Other receivables	*20*	2,200	3,300	3,671
Cash and cash equivalents		—	3	3
		2,200	3,303	3,674
Current liabilities				
Other payables	*22*	1,726	960	2,527
Amounts due to subsidiaries	*24*	6,528	15,824	15,426
		8,254	16,784	17,953
Net current liabilities		(6,054)	(13,481)	(14,279)
Total assets less current liabilities		(6,053)	(13,480)	(14,278)
Net liabilities		(6,053)	(13,480)	(14,278)
CAPITAL AND RESERVES				
Share capital	*27*	—*	—*	—*
Reserves	*28*	(6,053)	(13,480)	(14,278)
Capital deficiency		(6,053)	(13,480)	(14,278)

* The amount is less than RMB1,000

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve#	Statutory reserve#	Fair value reserve (non-recycling)#	Translation reserve#	Retained profits#	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 27)	*(note 28)*	*(note 28)*	*(note 28)*	*(note 28)*		
As at 1 January 2018	**429**	**—**	**6,342**	**(1,084)**	**1,419**	**105,450**	**112,556**
Profit for the year	—	—	—	—	—	40,996	40,996
Other comprehensive income for the year:							
— Financial assets at FVOCI — net movement in fair value reserve	—	—	—	17	—	—	17
— Exchange differences on translation of financial statements of foreign operations	—	—	—	—	(874)	—	(874)
Total comprehensive income for the year	—	—	—	17	(874)	40,996	40,139
Appropriation to statutory reserve	—	—	3,267	—	—	(3,267)	—
As at 31 December 2018	**429**	**—**	**9,609**	**(1,067)**	**545**	**143,179**	**152,695**
As at 1 January 2019	429	—	9,609	(1,067)	545	143,179	152,695
Profit for the year	—	—	—	—	—	34,057	34,057
Other comprehensive income for the year:							
— Financial assets at FVOCI — net movement in fair value reserve	—	—	—	49	—	—	49
— Exchange differences on translation of financial statements of foreign operations	—	—	—	—	(382)	—	(382)
Total comprehensive income for the year	—	—	—	49	(382)	34,057	33,724
Effect of the Reorganisation *(note 28)*	(429)	429	—	—	—	—	—
Dividend approved, declared and paid *(note 12)*	—	—	—	—	—	(31,500)	(31,500)
Appropriation to statutory reserve	—	—	4,495	—	—	(4,495)	—

	Share capital	Capital reserve#	Statutory reserve#	Fair value reserve (non-recycling)#	Translation reserve#	Retained profits#	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 27)	*(note 28)*	*(note 28)*	*(note 28)*	*(note 28)*		
As at 31 December 2019 and 1 January 2020	**—***	**429**	**14,104**	**(1,018)**	**163**	**141,241**	**154,919**
Profit for the year	—	—	—	—	—	46,252	46,252
Other comprehensive income for the year:							
— Financial assets at FVOCI — net movement in fair value reserve	—	—	—	353	—	—	353
— Exchange differences on translation of financial statements of foreign operations	—	—	—	—	110	—	110
Total comprehensive income for the year	—	—	—	353	110	46,252	46,715
Appropriation to statutory reserve	—	—	4,908	—	—	(4,908)	—
As at 31 December 2020	**—***	**429**	**19,012**	**(665)**	**273**	**182,585**	**201,634**
As at 1 January 2021	**—***	**429**	**19,012**	**(665)**	**273**	**182,585**	**201,634**
Profit for the period	—	—	—	—	—	11,890	11,890
Other comprehensive income for the period:							
— Financial assets at FVOCI — net movement in fair value reserve	—	—	—	(209)	—	—	(209)
— Exchange differences on translation of financial statements of foreign operations	—	—	—	—	661	—	661
Total comprehensive income for the period	—	—	—	(209)	661	11,890	12,342
As at 30 April 2021	**—***	**429**	**19,012**	**(874)**	**934**	**194,475**	**213,976**

	Share capital	Capital reserve#	Statutory reserve#	Fair value reserve (non-recycling)#	Translation reserve#	Retained profits#	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 27)	*(note 28)*	*(note 28)*	*(note 28)*	*(note 28)*		
As at 1 January 2020	**—***	**429**	**14,104**	**(1,018)**	**163**	**141,241**	**154,919**
Profit for the period (Unaudited)	—	—	—	—	—	13,846	13,846
Other comprehensive income for the period (Unaudited):							
— Financial assets at FVOCI — net movement in fair value reserve	—	—	—	281	—	—	281
— Exchange differences on translation of financial statements of foreign operations	—	—	—	—	155	—	155
Total comprehensive income for the period (Unaudited)	—	—	—	281	155	13,846	14,282
As at 30 April 2020 (Unaudited)	**—***	**429**	**14,104**	**(737)**	**318**	**155,087**	**169,201**

Those reserve accounts comprise the reserves of RMB152,266,000, RMB154,919,000, RMB201,634,000 and RMB213,976,000 in the consolidated statements of financial position as at 31 December 2018, 2019 and 2020 and 30 April 2021, respectively.

* The amount is less than RMB1,000

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Four months ended 30 April	
		2018	2019	2020	2020	2021
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Operating activities						
Profit before income tax		55,965	49,810	65,278	19,946	16,204
Adjustments for:						
Amortisation of intangible assets	*8*	45	35	4	4	—
Depreciation of right-of-use assets	*8*	239	239	239	81	81
Net (gain)/loss on disposal of property, plant and equipment	*8*	(10)	261	522	2	(5)
Depreciation of property, plant and equipment	*8*	10,309	12,042	12,658	4,313	4,142
Provision/(Reversal of provision) for loss allowance	*8*	64	81	(59)	(134)	(123)
(Gain)/Loss on disposal of financial assets at FVTPL	*7*	(175)	(156)	(731)	(731)	—
Loss on disposal of a joint venture	*7*	—	264	—	—	—
Fair value loss/(gain) on financial assets at FVTPL	*7*	340	(561)	109	69	(13)
Unrealised (gain)/loss on foreign exchange forward contracts	*7*	(4)	(1,053)	(1,576)	573	(809)
Realised loss/(gain) on foreign exchange forward contracts	*7*	380	1,264	(2,248)	677	937
Interest income	*5*	(421)	(654)	(652)	(173)	(191)
Net foreign exchange (gain)/loss		(2,376)	(768)	4,868	(555)	916
Dividend income from unlisted equity investment	*5*	(300)	(240)	(240)	(240)	(240)
Dividend income from units in investment funds	*5*	(215)	(36)	—	—	—
Finance costs	*6*	624	718	334	241	42
Share of results of a joint venture		(62)	(22)	—	—	—
Operating profit before working capital changes		64,403	61,224	78,506	24,073	20,941
(Increase)/Decrease in inventories		(7,903)	(17,426)	(8,603)	3,879	(13,897)
(Increase)/Decrease in trade and other receivables		(9,585)	(5,059)	(17,507)	11,021	3,322
(Increase)/Decrease in financial assets at FVTPL		(8,675)	(4,559)	19,231	19,231	—
Decrease in amounts due from related parties		384	420	99	—	—
Increase/(Decrease) in trade and other payables		3,456	(5,119)	20,756	(3,410)	(9,545)
(Decrease)/Increase in contract liabilities		(1,118)	585	(445)	515	1,115
Cash generated from operations		40,962	30,066	92,037	55,309	1,936
Income tax paid		(7,161)	(12,425)	(20,152)	(12,254)	(2,066)
Net cash generated from/(used in) operating activities		33,801	17,641	71,885	43,055	(130)

	Notes	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Four months ended 30 April 2020 RMB'000 (Unaudited)	2021 RMB'000
Investing activities						
Purchase of property, plant and equipment		(17,218)	(22,296)	(10,596)	(2,920)	(2,197)
Dividend income from unlisted equity investment		300	240	240	240	240
Dividend income from units in investment funds		215	36	—	—	—
Proceeds from disposal of property, plant and equipment		48	58	57	63	63
Interest received		421	654	652	173	191
Advance to related parties		(19,321)	(1,422)	—	(5,873)	—
Change in pledged bank deposits		3,180	2,605	1,494	(7,105)	(288)
Payment for additional acquisition of a joint venture		(101)	—	—	—	—
Net cash used in investing activities		(32,476)	(20,125)	(8,153)	(15,422)	(1,991)
Financing activities						
Proceeds from bank borrowings	*31*	120,520	112,077	70,198	25,256	23,891
Repayment of bank borrowings	*31*	(118,176)	(110,122)	(79,584)	(33,018)	(21,828)
Repayment to related parties	*31*	(13,764)	—	(5,818)	(5,747)	—
Advance from related parties	*31*	—	932	—	—	—
Interests paid		(612)	(688)	(373)	(219)	(42)
Net cash (used in)/generated from financing activities		(12,032)	2,199	(15,577)	(13,728)	2,021
Net (decrease)/increase in cash and cash equivalents		(10,707)	(285)	48,155	13,905	(100)
Cash and cash equivalents at beginning of the year/period		33,495	23,601	23,649	23,649	69,655
Effects of exchange rate changes		813	333	(2,149)	253	(669)
Cash and cash equivalents at end of the year/period, represented by bank balances and cash	*21*	23,601	23,649	69,655	37,807	68,886

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General information

Better Home Group Holdings Co., Limited (the "**Company**") was incorporated in the Cayman Islands on 21 May 2019 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and its principal place of business is No.378 Guangming Street, Deqing Economic Development Zone, Deqing County, Zhejiang Province, the People's Republic of China (the "**PRC**").

The Company is an investment holding company and its subsidiaries are principally engaged in manufacturing and sales of laundry products, household cleaning tools and kitchen gadgets (the "**Listing Business**") during the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2021 ("**Track Record Period**").

The Company's immediate and ultimate holding company is Beautiful Homeland Holdings Limited ("**Beautiful Homeland**"), a company incorporated in the British Virgin Islands ("**BVI**"). The Company is ultimately controlled by Mr. Zhu Boming ("**Mr. Zhu**"), Mr. Fang Gaisheng ("**Mr. Fang**"), Mr. Zhang Wenzhi ("**Mr. Zhang**") and Mr. Mao Chungen ("**Mr. Mao**") (collectively referred to as the "**Controlling Shareholders**"), who have entered into a Deed of Concert Parties as stated in the section headed "Relationship with our Controlling Shareholders" in the Prospectus.

The Company and its subsidiaries (together, the "**Group**") now comprising the Group underwent a group reorganisation (the "**Reorganisation**") as detailed in the section headed "History, Reorganisation and corporate structure" in the Prospectus, the Reorganisation was completed on 22 July 2019.

Upon the completion of the Reorganisation and as at the date of this report, the Company had direct and indirect interests in the following subsidiaries and a joint venture, all of which are private limited liability companies, and the particulars of which are set out below:

			Equity interest attributable to the Group					
			As at					
	Place and date of incorporation and operation	Registered/Issued and paid up capital	31 December			30 April	the date of this	
Company name			**2018**	**2019**	**2020**	**2021**	**report**	**Principal activities**
Subsidiaries								
Directly held:								
Happy Hours Holdings Limited ("**Happy Hours**") *(note (c))*	BVI, 30 May 2019	United States dollar ("**US$**") 100	N/A	100%	100%	100%	100%	Investment holding
Roses All The Way Investment Co., Limited ("**Roses All The Way**") *(note (c))*	BVI, 30 May 2019	US$100	N/A	100%	100%	100%	100%	Investment holding
Indirectly held:								
Grand Resources Industrial Limited ("**Grand Resources**") *(note (d))*	Hong Kong, 18 July 2001	Hong Kong dollar ("**HK$**") 500,000	100%	100%	100%	100%	100%	Investment holding
BHP Housewares Co., Limited ("**BHP Housewares**") *(note (d))*	Hong Kong, 7 September 2007	HK$10,000	100%	100%	100%	100%	100%	Sales of laundry products, household cleaning tools and kitchen gadgets
Better Home Products (Zhejiang) Co., Limited ("**BHP Zhejiang**") (浙江貝特日用品有限公司) *(notes (e) & (g))*	PRC, 18 September 2008	US$10,000,000	100%	100%	100%	100%	100%	Manufacturing and sales of laundry products, household cleaning tools and kitchen gadgets
Better Home Products (UK) Co Ltd ("**BHP UK**") *(note (f))*	United Kingdom, 18 September 2009	British Pound 100	100%	100%	100%	100%	100%	Sales of laundry products, household cleaning tools and kitchen gadgets
Joint venture								
The Home Laundry Company Limited ("**Home Laundry**") *(note (f))*	United Kingdom, 2 February 2009	British Pound 100	50%	—	—	—	—	Sales of furniture, household goods, hardware and ironmongery

Notes:

(a) The English name of the subsidiary established in the PRC is translated for identification purpose only.

(b) All companies now comprising the Group have adopted 31 December as their financial year end.

(c) No statutory financial statements have been prepared for Happy Hours and Roses All The Way as they are not subject to statutory audit requirements under relevant rules and regulations in the jurisdiction of incorporation.

(d) The statutory financial statements for the years ended 31 December 2018, 2019 and 2020 were prepared in accordance with Hong Kong Financial Reporting Standards and have been audited by ST Lo & Co., Certified Public Accountants, Hong Kong.

(e) The statutory financial statements of BHP Zhejiang for the years ended 31 December 2018, 2019 and 2020 were prepared in accordance with the relevant accounting principles and financial regulations applicable to companies established in the PRC ("**PRC GAAP**") and were audited in accordance with relevant auditing standards in the PRC by Huzhou De Xin United Certified Public Accountants (湖州德信聯合會計師事務所), Certified Public Accountants registered in the PRC.

(f) No statutory financial statements have been prepared for BHP UK and Home Laundry since their incorporation as they are entitled to exemption from statutory audit requirements under relevant rules and regulations in the jurisdiction of incorporation.

(g) The entity is established in the PRC in the form of wholly foreign-owned enterprise.

1.2 Basis of presentation

Pursuant to the Reorganisation as more fully explained in the paragraphs headed "Reorganisation" in the section headed "History, Reorganisation and corporate structure" to the Prospectus, the Company became the holding company of the companies now comprising the Group on 22 July 2019.

The companies now comprising the Group were under the common control of the Controlling Shareholders before and after the Reorganisation. Accordingly, for the purpose of the preparation of the Group's Historical Financial Information, the Company has been considered as the holding company of the companies now comprising the Group throughout the Track Record Period. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the Track Record Period, which include the financial performance, changes in equity and cash flows of the companies now comprising the Group have been prepared using the principles of merger accounting under Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as if the current group structure had been in existence throughout the years ended 31 December 2018 and 2019, or since their respective dates of incorporation where this is a shorter period. The consolidated statement of financial position as at 31 December 2018 have been prepared to present the assets and liabilities of the companies now comprising the Group using the existing book values from the Controlling Shareholders' perspective as if the current group structure had been in existence as at those respective dates. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

Intra-group balances, transactions, cash flows and any unrealised gain/losses arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA. All applicable HKFRSs to the Track Record Period together with the relevant transition provisions, including HKFRS 16 "Leases" ("**HKFRS 16**") have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period and adopted amendments to HKFRS 9 "Financial Instruments" ("**HKFRS 9**"), HKAS 39 "Financial Instruments: Recognition and Measurement" ("**HKAS 39**") and HKFRS 7 "Interest Rate Benchmark Reform — Phase 2" and amendments to HKFRS 16 "Covid-19-Related Rent Concessions" on 1 January 2021. Early adoption of HKFRS 16 and the adoption of HKFRS 9, HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**") and the new and amended HKFRSs does not have significant impacts on the Group's Historical Financial Information. The new and amended HKFRSs issued but not yet effective for the year beginning on or after 1 January 2022 are set out in note 2.2. The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

The significant accounting policies that have been used in the preparation of this Historical Financial Information are summarised below. These policies have been consistently applied to all the years presented in the Historical Financial Information, unless otherwise stated.

The Historical Financial Information has been prepared on the historical cost basis, except for financial assets at fair value through profit and loss ("**FVTPL**") (see note 2.8) and fair value through other comprehensive income ("**FVOCI**") (see note 2.8) and derivative financial instruments (see note 2.11) are stated at fair value. The Historical Financial Information is presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and the major operating subsidiary in the PRC, BHP Zhejiang.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 3.

2.2 Issued but not yet effective HKFRSs

The Group has not early applied the following new and amended standards, amendments and interpretations ("**new and amended HKFRSs**") which have been issued but are not yet effective:

Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
HKFRS 17	Insurance Contract and related amendments[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts Cost of Fulfilling a Contract[3]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[5]
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020[3]
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination[4]

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2023

3 Effective for annual periods beginning on or after 1 January 2022

4 Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

5 Effective for annual periods beginning on or after 1 April 2021

The directors anticipate that all of the new and amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning after the effective date of the new and amended HKFRSs. These new and amended HKFRSs are not expected to have a material impact on the Group's Historical Financial Information.

2.3 Basis of consolidation and combination

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries for the Track Record Period.

The Group controls an entity when the Group is exposed, 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. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

As explained in note 1.2 above, the acquisition of the subsidiaries under common control has been accounted for using the merger accounting.

The merger accounting involves incorporating the financial statements items of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party. The net assets of the combining entities using the existing book value from the perspective of the Controlling Shareholders of the Company. No amount is recognised in respect of goodwill or the excess of the acquirer's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the consideration transferred and of other items at the time of common control combination.

The acquisition of subsidiaries other than those under common control has been accounted for using the acquisition method.

The Group includes the income and expenses of a subsidiary in the Historical Financial Information from the date it gains control until the date when the Group ceases to control the subsidiary. Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained profits). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statements of financial position, subsidiaries are carried at cost less any impairment loss (note 2.19) unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at each reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.4 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating about relevant activities require the unanimous consent of the parties sharing control.

In the Historical Financial Information, an investment in a joint venture is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the joint venture is carried at cost and adjusted for the post-acquisition changes in the Group's share of the joint venture's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the joint venture for the Track Record Period, including any impairment loss on the investment in a joint venture recognised for the Track Record Period. The Group's other comprehensive income for the Track Record Period includes its share of the joint venture's other comprehensive income for the Track Record Period.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Where unrealised losses on assets sales between the Group and its joint venture are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the joint venture's accounting policies to those of the Group when the joint venture's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. For this purpose, the Group's interest in the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. At each reporting date, the Group determines whether there is any objective evidence that the investment in joint venture is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the joint venture and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the joint venture, including cash flows arising from the operations of the joint venture and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have joint control over a joint venture. If the retained interest in that joint venture is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would have been required if the joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

2.5 Foreign currency translation

In the individual financial statements of the combined/consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at each reporting date. Income and expenses have been converted into the RMB at the exchange rates ruling at the transaction dates, or at the average rates over the Track Record Period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are stated at cost less accumulated depreciation and impairment losses (note 2.19). Cost includes expenditure that is directly attributable to the acquisition of the asset.

Construction in progress is stated at cost less accumulated impairment losses. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation on items of property, plant and equipment other than construction in progress is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method as follows:

Buildings	20 years
Machinery and production equipment	2 to 10 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	4 years
Leasehold improvements	3 to 5 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to the profit or loss during the financial period in which they are incurred.

2.7 Intangible assets and research and development activities

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses (note 2.19). Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use (i.e. when it is in the location and condition necessary for it to be capable of operation).

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets with finite useful lives are tested for impairment as described below in note 2.19.

Computer software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

The cost capitalised include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statements of profit or loss and other comprehensive income.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

— amortised cost;

— FVTPL; or

— FVOCI.

The classification is determined by both:

— the entity's business model for managing the financial asset; and

— the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within "Finance costs" or "Other (losses)/gains, net" in the consolidated statements of profit or loss and other comprehensive income.

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

— they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

— the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "Other income" in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, pledged bank deposits, trade and other receivables (excluding prepayments and value-added tax recoverable) and amounts due from related parties fall into this category of financial assets.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under HKFRS 9 apply.

Equity investments and wealth management products

An investment in equity securities or wealth management products is classified as FVTPL unless the equity investment or wealth management product is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in "Fair value reserve (non-recycling)" in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in "Fair value reserve (non-recycling)" will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Dividends are included in the "Other income" in profit or loss.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include bank borrowings, trade and other payables and amounts due to related parties, and the Company's financial liabilities include other payables and amounts due to subsidiaries.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in profit or loss.

Financial liabilities of the Group and the Company are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after each reporting date.

Derivative financial instruments

Details of accounting policy of derivative financial instruments are set out in note 2.11.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 Impairment of financial assets

HKFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses ("**ECL**") — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

— financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**") and

— financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at each reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due status.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables and amounts due from related parties equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at each reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

— existing or forecast adverse changes in regulatory, business, financial or economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— an actual or expected significant deterioration in the operating results of the debtor; and

— an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at each reporting date. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 33.4.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost, which comprises all cost of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, and is determined by using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expenses in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.11 Derivative financial instruments

Derivative financial instruments are recognised at fair value at each reporting date with gain or loss on remeasurement to fair value recognised immediately in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2.9.

2.13 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2.17) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.9 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.17). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.8).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.14 Leases

The Group as a lessee

For any new contracts entered into during the Track Record Period, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of twelve months or less.

The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group earns rental income from operating leases of certain portion of its buildings. Rental income is recognised on a straight-line basis over the term of lease.

2.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.16 Share capital

Ordinary shares are classified as equity. Share capital represented the aggregate of paid-up capital of companies comprising the Group after elimination of inter-company investments prior to the completion of the Reorganisation.

After the completion of the Reorganisation, share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deduction from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.17 Revenue recognition

Revenue is recognised to depict the transfer of promised goods and services to customers in an amount that reflect the consideration to which the Group expects to be entitled in exchange for those goods and services. Specially, the Group uses a 5-step approach for revenue recognition.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Group performs;
- the Group's performance creates and enhances an asset that customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

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

Revenue from the sales of laundry products, household cleaning tools and kitchen gadgets for a fixed fee is recognised when the Group transfers control of the assets to the customer in which the control is transferred at the point in time the customer takes undisputed delivery of the goods. Revenue from sales of laundry products, household cleaning tools and kitchen gadgets excludes value-added tax or other sales taxes.

Interest income is recognised on a time-proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend income is recognised when the shareholder's right to receive payment is established.

Accounting policies for rental income are set out in note 2.14.

2.18 Government subsidies

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

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government subsidies relating to income is presented in gross under "Other income" in the consolidated statements of profit or loss and other comprehensive income.

2.19 Impairment of other non-financial assets

Property, plant and equipment, right-of-use assets, intangible assets, and interests in subsidiaries in the Company's statements of financial position are subject to impairment testing. They are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Impairment loss is charged pro-rata to the assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's 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.

2.20 Employee benefits

Retirement benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contributions retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assure the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independent administrated funds managed by the PRC government.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The Group operate a defined contribution retirement benefit plan in respect of its employees in the United Kingdom. Contribution are made based on a certain percentage of the employees' basic salaries.

The contributions are recognised as employee benefit expenses when they become payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to each reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.21 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

2.22 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at each reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the Track Record Period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the profit or loss.

Deferred tax is calculated using the liability method on temporary differences at each reporting date between the carrying amounts of assets and liabilities in the Historical Financial Information and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at each reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the period in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (1) when the existing temporary differences will reverse and (2) the amount of future taxable income in those years. The estimate of future taxable income includes:

(a) income or loss excluding reversals of temporary differences; and

(b) reversals of existing temporary differences.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax assets and current tax liabilities are presented in net if, and only if:

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if:

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.23 Related parties

For the purposes of this Historical Financial Information, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and 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 of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group and the sponsoring employers are also 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 company of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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.

2.24 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker ("**CODM**") for his decisions about resources allocation to the Group's business components and for his review of the performance of those components.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 Key sources of estimation uncertainty

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

Estimation of impairment of trade and other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties

The Group follows the guidance of HKFRS 9 to makes allowances on items subjects to ECL (including trade and other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties), based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at each reporting date as set out in note 2.9.

The carrying amount of the Group's trade receivables as at 31 December 2018, 2019 and 2020 and 30 April 2021 amounted to approximately RMB67,045,000, RMB60,693,000, RMB79,485,000 and RMB79,694,000 respectively and ECL allowance as at 31 December 2018, 2019 and 2020 and 30 April 2021 amounted to approximately RMB275,000, RMB356,000, RMB297,000 and RMB174,000 respectively.

Details of the trade and other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties are disclosed in notes 20 and 24(a) to the Historical Financial Information respectively.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amount due from related parties and credit losses in the periods in which such estimates has been changed.

Estimation of fair value of financial instruments not traded in an active market

As at 31 December 2018, 2019 and 2020 and 30 April 2021, financial instruments that are not traded in an active market including foreign exchange forward contracts, unlisted wealth management products, units in investment funds and unlisted equity investment. The fair values are determined by using valuation techniques, details of which are set out in note 33.7. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group bases its assumptions on observable data as far as possible but this is not always available, in that case the Group uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at each reporting date.

Amortisation charges of intangible assets and depreciation charges of property, plant and equipment

Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of amortisation or depreciation expenses to be recorded during the Track Record Period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The carrying amounts of intangible assets and property, plant and equipment at each reporting date are set out in notes 16 and 13 to the Historical Financial Information respectively.

Write-down of inventories

The Group reviews the condition of inventories at each reporting date, and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

3.2 Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Current income tax

The Group is subject to income taxes in several jurisdictions, significant judgement is required in determining the provision of income tax under the relevant tax jurisdiction. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final outcome of these matters may be different from the amounts that we initially recorded, such differences will impact the current income tax and deferred tax provision in the period in which such determination is made.

Deferred tax

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

Deferred tax liabilities relating to distributable profits not yet paid out as dividends that are generated by the PRC subsidiary have been recognised in the Historical Financial Information. Deferred tax liabilities have not been recognised as at 31 December 2018, 2019 and 2020 and 30 April 2021 in respect of temporary differences relating to the post-2007 undistributed profits of the PRC subsidiary of approximately RMB21,140,000, RMB31,645,000, RMB48,871,000 and RMB53,778,000, respectively as the Company controls the dividend policy of this subsidiary and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

4 REVENUE AND SEGMENT REPORTING

The executive directors of the Company have been identified as the CODM of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The Group is principally engaged in the manufacturing and sales of laundry products, household cleaning tools and kitchen gadgets. The CODM regards the Group's business of manufacturing and sale of laundry products, household cleaning tools and kitchen gadgets as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation and performance assessment. Accordingly, no segment analysis information is presented.

(i) Information about major customers

The following table sets out the revenue from the Group's customers which individually contributed over 10% of the Group's revenue during the Track Record Period and the four months ended 30 April 2020.

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Customer A	138,718	139,224	160,712	31,860	32,808
Customer B	43,069	55,388	69,101	25,275	25,447
Customer C	40,222	36,143	41,690	N/A*	N/A*
Customer D	N/A*	N/A*	N/A*	N/A*	17,192

* Transactions with these customers did not exceed 10% of the Group's revenue in the respective years or periods.

(ii) Disaggregation of revenue

In the following table, revenue is disaggregated by major products and timing of revenue recognition.

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Products					
Laundry products	159,029	165,008	176,963	69,075	78,471
Household cleaning tools	164,386	166,712	192,025	41,018	46,452
Kitchen gadgets	5,333	4,833	15,752	2,749	1,317
	328,748	336,553	384,740	112,842	126,240
Timing of revenue recognition					
At a point in time	328,748	336,553	384,740	112,842	126,240

(iii) Performance obligations

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Geographical information

Information about the Group's revenue by geographical locations of customers based on the location at which the goods are delivered is presented as below:

	Year ended 31 December			Four months ended 30 April	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Australia	40,156	38,075	40,542	11,065	9,116
Germany	52,690	62,740	61,764	26,513	35,202
United Kingdom	62,070	60,538	61,593	26,593	26,253
United States	147,544	149,571	178,109	35,572	33,984
Others	26,288	25,629	42,732	13,099	21,685
	328,748	336,553	384,740	112,842	126,240

The geographical location of the Group's property, plant and equipment, right-of-use assets, deposits paid for acquisition of property, plant and equipment, interest in a joint venture and intangible assets ("**specified non-current assets**") is based on the physical location of the assets in the case of property, plant and equipment, right-of-use assets and deposits paid for acquisition of property, plant and equipment, the location of the operations to which they are allocated in the case of intangible assets, and the location of operations in the case of interest in a joint venture.

Information about the Group's specified non-current assets by geographical locations is presented as below:

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC	99,628	108,518	104,785	103,697
Others	242	—	—	—
	99,870	108,518	104,785	103,697

5 OTHER INCOME

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Bank interest income	421	654	652	173	191
Dividend income from unlisted equity investment *(note 17)*	300	240	240	240	240
Dividend income from units in investment funds *(note 18)*	215	36	—	—	—
Government subsidies *(note (a))*	1,674	2,548	3,447	703	290
Rental income	6	3	—	—	—
Others *(note (b))*	435	100	300	113	192
	3,051	3,581	4,639	1,229	913

Notes:

(a) The amount represents unconditional government subsidies received from local government for research and development and operating activities.

(b) The amount mainly represents sales of scraps and moulds.

6 FINANCE COSTS

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Interest charges on bank borrowings	624	718	334	241	42

7 OTHER GAINS/(LOSSES), NET

	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Four months ended 30 April 2020 RMB'000 (Unaudited)	2021 RMB'000
Unrealised gain/(loss) on foreign exchange forward contracts	4	1,053	1,576	(573)	809
Realised (loss)/gain on foreign exchange forward contracts	(380)	(1,264)	2,248	(677)	(937)
Fair value (loss)/gain on financial assets at FVTPL	(340)	561	(109)	(69)	13
Gain on disposal of financial assets at FVTPL	175	156	731	731	—
Net gain/(loss) on disposal of property, plant and equipment	10	(261)	(522)	(2)	5
Loss on disposal of a joint venture	—	(264)	—	—	—
Net foreign exchange gain/(loss)	4,839	1,728	(7,940)	(24)	(1,478)
(Provision)/Reversal of provision for ECL allowance on trade receivables	(64)	(81)	59	134	123
	4,244	1,628	(3,957)	(480)	(1,465)

8 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 December 2018 RMB'000	2019 RMB'000	2020 RMB'000	Four months ended 30 April 2020 RMB'000 (Unaudited)	2021 RMB'000
Auditor's remuneration	21	87	22	22	25
Depreciation of right-of-use assets	239	239	239	81	81
Amortisation of intangible assets	45	35	4	4	—
Cost of inventories recognised as expenses *(note)*	223,534	234,229	267,847	75,575	90,328
Depreciation of property, plant and equipment	10,309	12,042	12,658	4,313	4,142
Net foreign exchange (gain)/loss	(4,839)	(1,728)	7,940	(24)	(1,478)
Net (gain)/loss on disposal of property, plant and equipment	(10)	261	522	2	(5)
Government subsidies	(1,674)	(2,548)	(3,447)	(703)	(290)
Research and development costs (including staff costs)	1,473	1,506	1,700	668	1,021
Listing expenses	—	5,974	7,683	3,286	1,184
Provision/(Reversal of provision) for ECL allowance on trade receivables	64	81	(59)	(134)	(123)
Lease charges on short-term leases	4	90	182	39	297
Staff costs (including directors' emoluments)					
Salaries, wages and other benefits	40,014	50,542	56,956	17,162	20,423
Contributions to defined contribution plans	5,542	5,699	3,292	1,286	3,018

Note: Cost of inventories recognised as expenses included RMB20,217,000, RMB19,662,000, RMB21,158,000, RMB5,247,000 (unaudited) and RMB11,567,000 relating to labour service fees and subcontracting fees for the years ended 31 December 2018, 2019 and 2020 and four months ended 30 April 2020 and 2021 respectively.

9 INCOME TAX EXPENSE

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current tax					
— Hong Kong Profits Tax	626	—	792	331	728
— PRC EIT	13,744	14,695	16,444	5,168	2,790
	14,370	14,695	17,236	5,499	3,518
Deferred tax *(note 26)*	599	1,058	1,790	601	796
Total income tax expense	14,969	15,753	19,026	6,100	4,314

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands during the Track Record Period and the four months ended 30 April 2020.

BVI

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI during the Track Record Period and the four months ended 30 April 2020.

Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces a two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5% for the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2020 and 2021.

PRC EIT

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for subsidiaries established in the PRC.

Overseas

Taxation on overseas profits are calculated on the estimated assessable profits at the rates of taxation prevailing in the countries in which the Group operates. During the Track Record Period and the four months ended 30 April 2020, the Group does not have any significant exposure to overseas tax.

Reconciliations between income tax expense and accounting profit at applicable tax rate:

	Year ended 31 December			Four months ended 30 April	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Profit before income tax	55,965	49,810	65,278	19,946	16,204
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	13,535	12,961	16,354	5,118	3,809
Tax effect of non-deductible expenses	477	1,780	1,382	702	240
Tax effect of non-taxable revenue	(179)	(414)	(168)	(200)	(62)
Withholding tax on distributable profits of a subsidiary *(note 26)*	1,136	1,426	1,458	480	327
Income tax expense	14,969	15,753	19,026	6,100	4,314

10 DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

10.1 Directors' emoluments

	Year ended 31 December 2018				
	Fees	Salaries, allowances and benefits	Discretionary bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000* *(note (e))*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhu Boming	—	276	140	35	451
Mr. Fang Gaisheng	—	131	140	23	294
Mr. Mao Chungen	—	131	140	23	294
	—	538	420	81	1,039

	Year ended 31 December 2019				
	Fees	Salaries, allowances and benefits	Discretionary bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000* *(note (e))*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhu Boming	—	276	140	35	451
Mr. Fang Gaisheng	—	172	140	26	338
Mr. Mao Chungen	—	132	140	23	295
	—	580	420	84	1,084

	Year ended 31 December 2020				
	Fees	Salaries, allowances and benefits	Discretionary bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000* *(note (e))*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhu Boming	—	276	117	25	418
Mr. Fang Gaisheng	—	177	117	19	313
Mr. Mao Chungen	—	132	117	17	266
Non-executive director:					
Ms. Zhu Yi	—	—	—	—	—
	—	585	351	61	997

	Four months ended 30 April 2020 (Unaudited)				
	Fees	Salaries, allowances and benefits	Discretionary bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000* *(note (e))*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhu Boming	—	92	39	13	144
Mr. Fang Gaisheng	—	64	39	13	116
Mr. Mao Chungen	—	44	39	13	96
Non-executive director:					
Ms. Zhu Yi	—	—	—	—	—
	—	200	117	39	356

	Four months ended 30 April 2021				
	Fees	**Salaries, allowances and benefits**	**Discretionary bonuses**	**Contributions to retirement benefit schemes**	**Total**
	RMB'000	*RMB'000*	*RMB'000* *(note (e))*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Zhu Boming	—	172	20	16	208
Mr. Fang Gaisheng	—	102	20	10	132
Mr. Mao Chungen	—	96	20	10	126
Non-executive director:					
Ms. Zhu Yi	—	—	—	—	—
	—	370	60	36	466

Notes:

(a) Mr. Zhu Boming was appointed as director of the Company on 21 May 2019 and redesignated as an executive director, the chairman and chief executive officer on 23 April 2020. Mr. Fang Gaisheng and Mr. Mao Chungen were appointed as directors on 21 May 2019 and redesignated as executive directors on 23 April 2020.

(b) Ms. Zhu Yi was appointed as a director of the Company on 22 April 2020 and re-designated as an non-executive director of the Company on 23 April 2020. During the Track Record Period and the four months ended 30 April 2020, the non-executive director did not received any director's emoluments in the capacity of the non-executive director.

(c) Mr. Guan Yuchun, Mr. Zhao Xiaoming and Ms. Kung On Yee were appointed as independent non-executive directors of the Company on 12 October 2021. During the Track Record Period and the four months ended 30 April 2020, the independent non-executive directors have not yet been appointed.

(d) The emoluments shown above represents emoluments received from the Group by these directors in their capacity as employees of the Group and/or in their capacity as directors of the companies comprising the Group during the Track Record Period and the four months ended 30 April 2020.

(e) The discretionary bonuses are determined by reference to the financial performance of the Group and the performance of the individual director.

(f) Mr. Zhang Wenzhi was appointed as a director of the Company on 21 May 2019 and resigned on 30 July 2019 during which director's emoluments of RMB65,000 in his capacity as an employee of the Group was received.

10.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2020 and 2021 include 3, 3, 3, 3 (unaudited) and 3 directors respectively, whose emoluments were disclosed in note 10.1 above. The aggregate of the emoluments of the remaining 2, 2, 2, 2 (unaudited) and 2 individuals for the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2020 and 2021 respectively were as follows:

	Year ended 31 December			Four months ended 30 April	
	2018	**2019**	**2020**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, allowances and benefits	347	388	408	136	236
Discretionary bonuses	140	280	223	74	38
Contributions to retirement benefit schemes	41	56	34	17	23
	528	724	665	227	297

The above individuals' emoluments are within the following band:

	Year ended 31 December			Four months ended 30 April	
	2018	**2019**	**2020**	**2020**	**2021**
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals* (Unaudited)	*Number of individuals*
Nil to HK$1,000,000	2	2	2	2	2

No director or the five highest paid individual received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period and the four months ended 30 April 2020. No director or the five highest paid individual has waived or agreed to waive any emoluments during the Track Record Period and the four months ended 30 April 2020.

11 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation and the basis of presentation of the results of the Group for the Track Record Period and the four months ended 30 April 2020 as disclosed in note 1.2 above.

12 DIVIDENDS

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Interim dividends	—	31,500	—	—	—

Prior to the Reorganisation, Grand Resources has declared and paid dividends to its then shareholders amounting to RMB31,500,000 during the year ended 31 December 2019.

No dividend has been paid or declared by the Company since its date of incorporation.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and production equipment	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2018							
Cost	64,170	54,656	3,114	3,962	13,761	2,104	141,767
Accumulated depreciation	(16,496)	(28,146)	(2,609)	(3,286)	(11,168)	—	(61,705)
Net book amount	47,674	26,510	505	676	2,593	2,104	80,062
Year ended 31 December 2018							
Opening net book amount	47,674	26,510	505	676	2,593	2,104	80,062
Additions	—	6,059	844	31	3,273	8,112	18,319
Disposals	—	—	(38)	—	—	—	(38)
Depreciation	(3,010)	(5,495)	(72)	(179)	(1,553)	—	(10,309)
Closing net book amount	44,664	27,074	1,239	528	4,313	10,216	88,034
As at 31 December 2018 and 1 January 2019							
Cost	64,170	60,715	3,572	3,993	17,034	10,216	159,700
Accumulated depreciation	(19,506)	(33,641)	(2,333)	(3,465)	(12,721)	—	(71,666)
Net book amount	44,664	27,074	1,239	528	4,313	10,216	88,034

	Buildings	Machinery and production equipment	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2019							
Opening net book amount	44,664	27,074	1,239	528	4,313	10,216	88,034
Additions	—	14,806	2,854	252	—	1,353	19,265
Transfers	11,352	—	—	—	—	(11,352)	—
Disposals	—	(314)	(166)	—	—	—	(480)
Depreciation	(3,392)	(6,217)	(656)	(125)	(1,652)	—	(12,042)
Closing net book amount	52,624	35,349	3,271	655	2,661	217	94,777
As at 31 December 2019 and 1 January 2020							
Cost	75,522	74,525	4,770	4,245	17,034	217	176,313
Accumulated depreciation	(22,898)	(39,176)	(1,499)	(3,590)	(14,373)	—	(81,536)
Net book amount	52,624	35,349	3,271	655	2,661	217	94,777
Year ended 31 December 2020							
Opening net book amount	52,624	35,349	3,271	655	2,661	217	94,777
Additions	394	12,276	—	13	142	—	12,825
Disposals	—	(572)	(7)	—	—	—	(579)
Depreciation	(3,479)	(7,100)	(871)	(113)	(1,095)	—	(12,658)
Closing net book amount	49,539	39,953	2,393	555	1,708	217	94,365
As at 31 December 2020 and 1 January 2021							
Cost	75,916	84,014	4,704	4,258	17,176	217	186,285
Accumulated depreciation	(26,377)	(44,061)	(2,311)	(3,703)	(15,468)	—	(91,920)
Net book amount	49,539	39,953	2,393	555	1,708	217	94,365
Four months ended 30 April 2021							
Opening net book amount	49,539	39,953	2,393	555	1,708	217	94,365
Additions	—	2,154	—	—	—	45	2,199
Disposals	—	(1)	—	—	—	—	(1)
Depreciation	(1,162)	(2,415)	(291)	(29)	(245)	—	(4,142)
Closing net book amount	48,377	39,691	2,102	526	1,463	262	92,421

	Buildings	Machinery and production equipment	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 April 2021							
Cost	75,916	86,160	4,704	4,258	17,176	262	188,476
Accumulated depreciation	(27,539)	(46,469)	(2,602)	(3,732)	(15,713)	—	(96,055)
Net book amount	48,377	39,691	2,102	526	1,463	262	92,421

As at 31 December 2018, 2019 and 2020 and 30 April 2021, property, plant and equipment with carrying amount of RMB55,874,000, RMB52,437,000, RMB53,034,000 and RMB51,437,000 respectively were pledged as collateral for the Group's bank borrowings (note 25).

14 RIGHT-OF-USE ASSETS

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	9,998	9,759	9,520	9,281
Depreciation	(239)	(239)	(239)	(81)
Carrying amount at the end of the year	9,759	9,520	9,281	9,200
In PRC:				
Lease of 50 years	9,759	9,520	9,281	9,200

The right-of-use assets represent land use rights in the PRC, which are held under long-term lease.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, right-of-use assets with a carrying amount of RMB9,759,000, RMB9,520,000, RMB9,281,000 and RMB9,200,000 respectively were pledged as collateral for the Group's bank borrowings (note 25).

15 INTEREST IN A JOINT VENTURE

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	242	—	—	—

As at 31 December 2018, 2019 and 2020 and 30 April 2021, details of the Group's interest in a joint venture, having a reporting date of 31 December, which is an unlisted corporate entity whose quoted market price is not available, are as follows:

			Percentage of interest held by the Group				
Name of joint venture	Place of incorporation and operation	Particulars of issued and paid up capital	As at 31 December			30 April	Principal activities
			2018	2019	2020	2021	
Home Laundry	United Kingdom	British Pound 100	50%	—	—	—	Sales of furniture, household goods, hardware and ironmongery

Pursuant to a joint venture agreement dated on 9 March 2009, the board of directors of Home Laundry was setup according to the shareholding ratio by shareholders and all decisions about the relevant activities require unanimous consent of all directors.

On 3 July 2018, the Group acquired approximately an additional equity interest of 17% in Home Laundry for a total cash consideration of approximately GBP12,000 (equivalent to RMB101,000).

On 3 June 2019, the Group disposed of its 50% equity interest in Home Laundry to the joint venture shareholder at consideration of RMBNil. As at the date of the disposal, the carrying amount of the joint venture was approximately RMB264,000.

At 31 December 2018, 2019 and 2020 and 30 April 2021, no joint venture is considered to be individually material to the Group.

16 INTANGIBLE ASSETS

	Computer software *RMB'000*
As at 1 January 2018	
Cost	528
Accumulated amortisation	(444)
Net book amount	84
Year ended 31 December 2018	
Opening net book amount	84
Amortisation	(45)
Closing net book amount	39
As at 31 December 2018 and 1 January 2019	
Cost	528
Accumulated amortisation	(489)
Net book amount	39
Year ended 31 December 2019	
Opening net book amount	39
Amortisation	(35)
Closing net book amount	4
As at 31 December 2019 and 1 January 2020	
Cost	528
Accumulated amortisation	(524)
Net book amount	4
Year ended 31 December 2020	
Opening net book amount	4
Amortisation	(4)
Closing net book amount	—
As at 31 December 2020, 1 January 2021 and 30 April 2021	
Cost	528
Accumulated amortisation	(528)
Net book amount	—

The amortisation charge is included in "Administrative and other operating expenses" in the consolidated statements of profit or loss and other comprehensive income.

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investment, at fair value	1,578	1,643	2,114	1,835

The above financial assets represent investment in an unlisted private entity, incorporated in the PRC, which is principally engaged in the provision of financing guarantee. The Group designated its investment in the unlisted equity investment as FVOCI (non-recycling), as this investment is held for long-term strategic purpose.

The dividend income received related to the unlisted equity investments for the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2020 and 2021 were RMB300,000, RMB240,000, RMB240,000, RMB240,000 (unaudited) and RMB240,000 respectively.

The fair value of the Group's unlisted equity investments has been measured as described in note 33.7.

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Units in investment funds, at fair value	4,412	—	—	—
Unlisted wealth management products, at fair value	15,303	24,820	6,211	6,224
	19,715	24,820	6,211	6,224

The carrying amounts of the above financial assets are classified as held for trading and are mandatorily measured at FVTPL in accordance with HKFRS 9.

The dividend income received related to the units in investment funds for the years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2020 and 2021 were RMB215,000, RMB36,000, RMBNil, RMBNil (unaudited) and RMBNil respectively.

The wealth management products are issued by financial institutions in which the principal amount and investment return are unsecured, unguaranteed and carry at a variable rate of return based on the performance of underlying investment portfolio.

The fair values of the Group's units in investment funds and unlisted wealth management products have been measured as described in note 33.7.

19 INVENTORIES

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	17,956	22,223	24,710	32,069
Packaging materials	5,978	7,356	9,853	8,954
Work in progress	4,222	13,085	16,224	25,050
Finished goods	5,867	8,785	9,265	7,876
	34,023	51,449	60,052	73,949

20 TRADE AND OTHER RECEIVABLES

		The Company			The Group			
		As at 31 December		As at 30 April	As at 31 December			As at 30 April
		2019	**2020**	**2021**	**2018**	**2019**	**2020**	**2021**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*20.1*	—	—	—	67,320	61,049	79,782	79,868
Less: ECL allowance		—	—	—	(275)	(356)	(297)	(174)
		—	—	—	67,045	60,693	79,485	79,694
Derivative financial instruments	*20.2*	—	—	—	4	1,053	1,576	809
Prepayments		—	—	—	3,032	8,851	8,944	5,719
Prepaid listing expenses		2,200	3,300	3,671	—	2,200	3,300	3,671
Other receivables		—	—	—	2,710	2,807	1,973	1,820
Value-added tax recoverable		—	—	—	2,428	5,285	2,951	3,345
		2,200	3,300	3,671	8,174	20,196	18,744	15,364
		2,200	3,300	3,671	75,219	80,889	98,229	95,058

20.1 Trade receivables

As at each reporting date, the ageing analysis of trade receivables, net of ECL allowance, based on the invoice date (or date of revenue recognition if earlier) is as follows:

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 30 days	37,038	30,464	30,755	37,787
31 days to 60 days	12,246	17,695	26,707	25,840
61 days to 90 days	10,339	12,050	15,483	12,676
91 days to 180 days	4,600	468	6,526	3,296
181 days to 365 days	2,822	16	14	95
	67,045	60,693	79,485	79,694

Further details of the Group's credit policy and credit risk arising from trade and other receivables are set out in note 33.4.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the bank borrowings were secured by trade receivables of RMB26,202,000, RMB25,643,000, RMB17,834,000 and RMB20,413,000 respectively (note 25).

20.2 Derivative financial instruments

The Group held certain foreign exchange forward contracts classified as held for trading and not under hedge accounting. Foreign exchange forward contracts entered into by the Group with banks were measured at FVTPL. The fair value of these contracts has been measured as described in note 33.7.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the Group had entered into the following foreign exchange forward contracts:

	Receiving currency	Selling currency	Maturity date
31 December 2018			
Contract A	RMB5,915,000	US$860,000	2 January 2019
Contract B	RMB6,855,000	US$1,000,000	10 January 2019 to 21 January 2019

	Receiving currency	Selling currency	Maturity date
31 December 2019			
Contract C	RMB126,622,000	US$18,000,000	10 January 2020 to 30 October 2020

	Receiving currency	Selling currency	Maturity date
31 December 2020			
Contract D	RMB7,029,960	US$1,000,000	29 January 2021
Contract E	RMB14,120,800	US$2,000,000	5 January 2021 to 1 February 2021

	Receiving Currency	Selling Currency	Maturity date
30 April 2021			
Contract F	RMB32,706,090	US$5,000,000	31 May 2021 to 30 September 2021
Contract G	RMB16,607,000	US$2,500,000	31 August 2021 to 31 December 2021

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the derivative financial instruments were secured by pledged bank deposits of RMB6,918,000, RMB6,403,000, RMB1,215,000 and RMB1,798,000 respectively (note 21).

21 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks	23,528	23,612	69,638	68,829
Cash on hand	73	37	17	57
Pledged bank deposits	23,641	21,036	19,542	19,830
Bank balances and cash	47,242	44,685	89,197	88,716
Less: Pledged bank deposits	(23,641)	(21,036)	(19,542)	(19,830)
Cash and cash equivalents	23,601	23,649	69,655	68,886

Cash at banks earns interests at floating rates based on daily bank deposit rates.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the pledged bank deposits represents deposits pledged to banks as security of bills payables (note 22), letter of credit and derivative financial instruments respectively.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, included in bank balances and cash of the Group is RMB28,135,000, RMB23,381,000, RMB31,633,000 and RMB25,344,000 of bank balances respectively denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

22 TRADE AND OTHER PAYABLES

	The Company			The Group			
			As at				As at
	As at 31 December		April 30	As at 31 December			April 30
	2019	2020	2021	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables							
Trade payables	—	—	—	34,016	42,025	48,161	40,549
Bills payables	—	—	—	62,439	45,537	59,105	58,331
	—	—	—	96,455	87,562	107,266	98,880
Other payables and accruals							
Accrued listing expenses	1,632	960	2,527	—	1,632	960	2,527
Accrued expenses and other payables	94	—	—	910	964	1,045	934
Payable for purchase of property, plant and equipment	—	—	—	1,109	534	1,383	444
Staff costs and welfare accruals	—	—	—	5,740	7,288	7,288	6,263
Other taxes payables	—	—	—	491	868	774	1,016
	1,726	960	2,527	8,250	11,286	11,450	11,184
	1,726	960	2,527	104,705	98,848	118,716	110,064

The Group is granted by its suppliers a credit period of 0 to 60 days. The bills payables have a maturity period of 90 to 180 days. As at 31 December 2018, 2019 and 2020 and 30 April 2021, based on the invoice date or issuance date, the ageing analysis of the trade and bills payables are as follows:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 30 days	38,238	35,955	32,686	34,321
31 days to 60 days	12,631	17,462	23,905	16,820
61 days to 90 days	17,525	6,045	17,223	15,079
91 days to 180 days	27,307	26,956	32,283	32,161
181 days to 365 days	539	136	294	56
Over 365 days	215	1,008	875	443
	96,455	87,562	107,266	98,880

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the bills payables were secured by pledged bank deposits of RMB16,723,000, RMB14,633,000, RMB18,327,000 and RMB18,032,000 respectively (note 21).

23 CONTRACT LIABILITIES

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities arising from receipts in advance of sales of goods	196	781	336	1,451

When the Group receives a deposit before the production or sales activity commences, this will give rise to contract liabilities at the start of a contract until the revenue recognised on the sales exceeds the amount of the deposit. The amount of the sales deposit, if any, is negotiated on a case by case basis with customers. The changes in the contract liabilities are mainly attributable to short-term advances received from customers in relation to sale of products.

Contract liabilities outstanding at the beginning of the year/period amounting to RMB1,314,000, RMB196,000, RMB781,000, RMB781,000 (unaudited) and RMB336,000 have been recognised as revenue for the years ended 31 December 2018, 2019 and 2020 and four months ended 30 April 2020 and 2021 respectively.

24 AMOUNTS DUE FROM/(TO) RELATED PARTIES/SUBSIDIARIES

(a) Amounts due from related parties

	As at 1 January 2018	As at 31 December 2018	As at 31 December 2019	As at 31 December 2020	As at 30 April 2021	Maximum balance outstanding during: Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020	Four months ended 30 April 2020	Four months ended 30 April 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Mr. Fang Gaisheng *(note (i))*	2,358	5,516	—	—	—	5,516	5,516	—	—	—
Mr. Zhang Wenzhi *(note (ii))*	—	2,605	50	50	50	2,605	2,605	50	50	50
Mr. Mao Chungen *(note (i))*	—	2,002	—	—	—	2,002	2,002	—	—	—
Ms. Lou Zhequn *(note (iii))*	15,313	28,147	—	—	—	30,208	28,147	—	—	—
Better Home Products (Huzhou) Co., Ltd (湖州貝特日用品貿易有限公司) ("**BHP Huzhou**") *(note (iv))*	903	519	99	—	—	1,019	519	99	99	—
	18,574	38,789	149	50	50					

(b) Amounts due to related parties

	The Company: As at 31 December 2019	The Company: As at 31 December 2020	The Company: As at 30 April 2021	The Group: As at 31 December 2018	The Group: As at 31 December 2019	The Group: As at 31 December 2020	The Group: As at 30 April 2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Mr. Zhu Boming *(note (i))*	—	—	—	12,801	5,818	—	—

Notes:

(i) Mr. Zhu Boming, Mr. Fang Gaisheng and Mr. Mao Chungen are the Controlling Shareholders and executive directors of the Company.

(ii) Mr. Zhang Wenzhi is one of the Controlling Shareholders.

(iii) Ms. Lou Zhequn is the spouse of Mr. Zhu Boming.

(iv) BHP Huzhou is a related company of the Company, which is controlled by the Controlling Shareholders of the Company.

The amounts due were unsecured, interest-free, repayable on demand and non-trade nature.

The Group's amounts due from/(to) related parties have been settled prior to the Listing.

25 BANK BORROWINGS

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank borrowings, secured				
Variable-rate bank borrowings	24,287	26,665	15,862	17,776

Notes:

(a) Bank borrowings were carried at amortised cost and repayable within one year.

(b) The ranges of effective interest rates per annum on the Group's bank borrowings are as follows:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
Variable-rate bank borrowings	2.94% to 3.52%	2.55% to 2.68%	0.94% to 1.22%	0.72% to 0.80%

The variable-rate borrowings carry the floating-rates at London Inter-Bank Offer Rate ("**LIBOR**") minus basis points or LIBOR plus a premium.

(c) The Group's bank borrowings are denominated in US$.

(d) As at 31 December 2018, 2019 and 2020 and 30 April 2021, banking facilities amounted to RMB32,000,000 are utilised to the extent of RMB10,858,000, RMB14,889,000, RMBNil and RMBNil by the Group respectively.

(e) The bank borrowings are secured and guaranteed by:

(i) The following assets of the Group:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment *(note 13)*	55,874	52,437	53,034	51,437
Right-of-use assets *(note 14)*	9,759	9,520	9,281	9,200
Trade receivables *(note 20)*	26,202	25,643	17,834	20,413
	91,835	87,600	80,149	81,050

(ii) Charges over certain properties held by Mr. Zhu Boming and his spouse and personal guarantees by Mr. Zhu Boming and his spouse. Such charges and guarantees have been released prior to the Listing.

26 DEFERRED TAXATION

The amounts recognised in the consolidated statements of financial position are as follows:

The movement of net deferred tax assets/(liabilities) are as follows:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	(499)	397	(678)	(2,586)
Recognised in profit or loss *(note 9)*	(599)	(1,058)	(1,790)	(796)
Recognised in other comprehensive income	(5)	(17)	(118)	70
Payment of withholding tax	1,500	—	—	—
At the end of the year/period	397	(678)	(2,586)	(3,312)

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets recognised in the consolidated statements of financial position	1,785	2,136	1,686	1,287
Deferred tax liabilities recognised in the consolidated statements of financial position	(1,388)	(2,814)	(4,272)	(4,599)
Net deferred tax assets/(liabilities)	397	(678)	(2,586)	(3,312)

Deferred tax assets

	Provision and accruals	Net movement in fair value of financial assets	Provision of allowance on receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2018	789	412	52	1,253
Recognised in profit or loss	547	(27)	17	537
Charged to other comprehensive income	—	(5)	—	(5)
At 31 December 2018 and 1 January 2019	1,336	380	69	1,785
Recognised in profit or loss	389	(41)	20	368
Charged to other comprehensive income	—	(17)	—	(17)
At 31 December 2019 and 1 January 2020	1,725	322	89	2,136
Recognised in profit or loss	(288)	(27)	(17)	(332)
Charged to other comprehensive income	—	(118)	—	(118)
At 31 December 2020 and 1 January 2021	1,437	177	72	1,686
Recognised in profit or loss	(433)	3	(39)	(469)
Credited to other comprehensive income	—	70	—	70
At 30 April 2021	1,004	250	33	1,287

Deferred tax liabilities

	Withholding tax on undistributed profits from the PRC subsidiary
	RMB'000
At 1 January 2018	(1,752)
Payment of withholding tax	1,500
Recognised in profit or loss	(1,136)
At 31 December 2018 and 1 January 2019	(1,388)
Recognised in profit or loss	(1,426)
At 31 December 2019 and 1 January 2020	(2,814)
Recognised in profit or loss	(1,458)
At 31 December 2020 and 1 January 2021	(4,272)
Recognised in profit or loss	(327)
At 30 April 2021	(4,599)

Pursuant to the EIT Law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiary established in the PRC in respect of earnings generated from 1 January 2008. As at 31 December 2018, 2019 and 2020 and 30 April 2021, deferred tax liabilities have not been recognised in respect of temporary differences relating to the post-2007 profits earned by the PRC subsidiary amounting to approximately RMB21,140,000, RMB31,645,000, RMB48,871,000 and RMB53,778,000, respectively.

27 SHARE CAPITAL

The Group

For the purpose of the presentation of the Historical Financial Information, the balance of share capital of the Group at 1 January 2018 and 31 December 2018 represented the aggregate of paid-up capital of companies comprising the Group after elimination of inter-company investments prior to the completion of the Reorganisation.

With the completion of the Reorganisation on 22 July 2019, the Company became the holding company of the Group and the share capital as at 31 December 2019 and 2020 and 30 April 2021 represents the issued share capital of the Company comprising 300 ordinary shares of HK$0.01 each.

The Company

There was no authorised and issued capital as at 31 December 2018 since the Company has not yet been incorporated.

The Company was incorporated in the Cayman Islands on 21 May 2019 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. On the date of incorporation, 1 ordinary share was issued at par value to the initial subscriber, which was subsequently transferred to Beautiful Homeland on the same date. In addition, the Company issued 99 ordinary shares on 11 June 2019 at HK$0.01 each at par value to Beautiful Homeland.

On 22 July 2019, through a share swap agreement, our Company acquired, through Happy Hours, 350,000 shares, 50,000 shares, 50,000 shares and 50,000 shares in Grand Resources, representing 70%, 10%, 10% and 10% of all of the issued shares in Grand Resources, from Mr. Zhu Boming, Mr. Fang Gaisheng, Mr. Zhang Wenzhi and Mr. Mao Chungen, respectively, in consideration of and in exchange for the allotment and issue of 100 shares to Beautiful Homeland credited as fully paid.

On 22 July 2019, through a share swap agreement, our Company acquired, through Roses All the Way, 10,000 shares in BHP Housewares, representing all of the issued shares in BHP Housewares, from Ms. Lou Zhequn (as trustee of Mr. Zhu Boming, Mr. Fang Gaisheng, Mr. Zhang Wenzhi and Mr. Mao Chungen), in consideration of and in exchange for the allotment and issue of 100 shares to Beautiful Homeland credited as fully paid.

28 RESERVES

(a) The Company

As at 31 December 2018, 2019 and 2020 and 30 April 2021, the Company did not have any amount of reserves available for distribution to the equity holders of the Company.

	Accumulated losses	Total
	RMB'000	*RMB'000*
As at 21 May 2019 (date of incorporation)	—	—
Loss for the period	(6,053)	(6,053)
As at 31 December 2019 and 1 January 2020	(6,053)	(6,053)
Loss for the year	(7,427)	(7,427)
As at 31 December 2020 and 1 January 2021	(13,480)	(13,480)
Loss for the period	(798)	(798)
As at 30 April 2021	(14,278)	(14,278)

(b) The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity.

Statutory reserve

In accordance with the Company Law of the PRC, each of the company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the PRC accounting standards to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

Fair value reserve (non-recycling)

Fair value reserve represents the cumulative net change in the fair value of financial assets at FVOCI held at each reporting date and is dealt with in accordance with the accounting policy set out in note 2.8.

Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2.5.

Capital reserve

Combined paid-up capital of the subsidiaries now comprising the Group after elimination of inter-company investments are transferred to capital reserve upon the completion of the Reorganisation.

29 COMMITMENTS

(a) Lease commitments

As at each reporting date, the Group has lease commitments for short-term leases as follows:

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	90	107	429	263

(b) Capital commitments

As at each reporting date, the Group has capital commitments as follows:

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted but not provided for				
Acquisition of property, plant and equipment	153	—	733	1,641

30 MAJOR NON-CASH TRANSACTIONS

(i) During the year ended 31 December 2019, dividends amounted to RMB31,500,000 were declared to the then shareholders, which was offset with current accounts with the then shareholders.

(ii) Pursuant to the debt assignment agreements, amounts due from related parties of RMB30,135,000 was offset with the amounts due to related parties during the year ended 31 December 2019.

31 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliations of liabilities arising from financing activities:

	Bank borrowings	Amounts due to related parties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2018	20,814	24,151	44,965
Changes from financing cash flows:			
Proceeds from bank borrowings	120,520	—	120,520
Repayment of bank borrowings	(118,176)	—	(118,176)
Repayment to related parties	—	(13,764)	(13,764)
Other changes:			
Foreign exchange differences	1,129	2,414	3,543
As at 31 December 2018 and 1 January 2019	24,287	12,801	37,088
Changes from financing cash flows:			
Proceeds from bank borrowings	112,077	—	112,077
Advance from related parties	—	932	932
Repayment of bank borrowings	(110,122)	—	(110,122)
Non-cash transactions			
— Settlement of dividends *(note 30(i))*	—	22,050	22,050
— Assignments of debts *(note 30(ii))*	—	(30,135)	(30,135)
Other changes:			
Foreign exchange differences	423	170	593
As at 31 December 2019 and 1 January 2020	26,665	5,818	32,483
Changes from financing cash flows:			
Proceeds from bank borrowings	70,198	—	70,198
Repayment of bank borrowings	(79,584)	—	(79,584)
Repayment to related parties	—	(5,818)	(5,818)
Other changes:			
Foreign exchange differences	(1,417)	—	(1,417)
As at 31 December 2020 and 1 January 2021	15,862	—	15,862
Changes from financing cash flows:			
Proceeds from bank borrowings	23,891	—	23,891
Repayment of bank borrowings	(21,828)	—	(21,828)
Other changes:			
Foreign exchange differences	(149)	—	(149)
As at 30 April 2021	17,776	—	17,776

32 MATERIAL RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the Historical Financial Information, the Group had the following transactions with its related parties:

Name of related parties	Relationship
Mr. Zhu Boming	An executive director and a Controlling Shareholder of the Company
Mr. Fang Gaisheng	An executive director and a Controlling Shareholder of the Company
Mr. Mao Chungen	An executive director and a Controlling Shareholder of the Company
Ms. Zhu Yi	A non-executive director of the Company and daughter of Mr. Zhu Boming
Mr. Zhang Wenzhi	A Controlling Shareholder of the Company
BHP Huzhou	A company controlled by the Controlling Shareholders of the Company
Home Laundry	A joint venture

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in note 10, is as follows:

	Year ended 31 December			Four months ended 30 April	
	2018	2019	2020	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries, allowances and benefits	1,368	1,461	1,409	473	608
Contributions to retirement benefit schemes	115	123	90	53	50
	1,483	1,584	1,499	526	658

(b) Transactions with related parties

Name of related party	Nature of transaction	Year ended 31 December			Four months ended 30 April	
		2018	2019	2020	2020	2021
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
BHP Huzhou	Purchases of sundry supplies *(note)*	—	1,510	—	—	—
	Rental income	6	3	—	—	—
Home Laundry	Sales of goods	207	—	—	—	—

Note: The balance of sundry supplies mainly represents one-off purchase of food and beverages and miscellaneous office supplies during the year ended 31 December 2019.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk, liquidity risk and equity price risk.

The Group's overall financial risk management policies focuses on the unpredictability and volatility at financial markets and seeks to minimise potential adverse effects on the financial position, financial performance and cash flows of the Group.

33.1 Categories of financial assets and liabilities

	The Company			The Group			
	As at 31 December		As at 30 April	As at 31 December			As at 30 April
	2019	2020	2021	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets							
Financial assets measured at amortised cost:							
Trade and other receivables	—	—	—	69,755	63,500	81,458	81,514
Amounts due from related parties	—	—	—	38,789	149	50	50
Pledged bank deposits	—	—	—	23,641	21,036	19,542	19,830
Cash and cash equivalents	—	3	3	23,601	23,649	69,655	68,886
	—	3	3	155,786	108,334	170,705	170,280
Financial assets at FVOCI (non-recycling):							
— Unlisted equity investment at fair value	—	—	—	1,578	1,643	2,114	1,835
Financial assets at FVTPL:							
— Units in investment funds	—	—	—	4,412	—	—	—
— Unlisted wealth management products	—	—	—	15,303	24,820	6,211	6,224
— Derivative financial instruments	—	—	—	4	1,053	1,576	809
	—	—	—	19,719	25,873	7,787	7,033
	—	3	3	177,083	135,850	180,606	179,148

	The Company			The Group			
			As at				As at
	As at 31 December		30 April	As at 31 December			30 April
	2019	2020	2021	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities							
Financial liabilities measured at amortised cost:							
Trade and other payables	1,726	960	2,527	104,214	97,980	117,942	109,048
Bank borrowings	—	—	—	24,287	26,665	15,862	17,776
Amounts due to subsidiaries	6,528	15,824	15,426	—	—	—	—
Amounts due to related parties	—	—	—	12,801	5,818	—	—
	8,254	16,784	17,953	141,302	130,463	133,804	126,824

33.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk primarily arise from its overseas sales, bank balances, pledged bank deposits and bank borrowings which are primarily denominated in US$, of which US$ is not the functional currency of the group entities to which these transactions relate.

As at each reporting date, US$ denominated financial assets and liabilities translated into RMB at the respective closing rates, were as follows:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	66,339	50,222	69,430	66,916
Cash and cash equivalents	7,227	13,247	50,580	53,981
Pledged bank deposits	6,932	6,348	1,116	1,649
Bank borrowings	(24,287)	(26,665)	(15,862)	(17,776)
Net exposure arising from recognised assets and liabilities	56,211	43,152	105,264	104,770

The following table illustrates the sensitivity of the Group's profit after income tax for the year/period and retained profits in regards to an appreciation in the Group entities' functional currencies against US$. These sensitivity rates are the rates used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

	Sensitivity rate	Decrease in profit for the year/period	Decrease in retained profits
		RMB'000	*RMB'000*
Year ended 31 December 2018	5%	2,108	2,108
Year ended 31 December 2019	5%	1,618	1,618
Year ended 31 December 2020	5%	3,947	3,947
Four months ended 30 April 2021	5%	3,929	3,929

The same % depreciation in the Group entities' functional currencies against US$ would have the same magnitude on the Group's profit after income tax for the Track Record Period and retained profits but of opposite effect.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, net exposure arising from EUR denominated financial assets is minimal.

The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitor the scale of foreign currency transactions, foreign currency assets and liabilities.

33.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to fixed-rate pledged bank deposits (details of which are set out in note 21). However, since these pledged bank deposits and bank borrowings will mature within one year, the directors of the Company consider the fair value interest risk is insignificant to the Group.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings (details of which are set out in notes 21 and 25 respectively). The Group's cash flow interest rate risk is mainly concentrated on fluctuation of the interest rates on bank balances and the LIBOR arising from the Group's bank borrowings. The

Group does not have an interest rate hedging policy. However, the directors of the Company monitor interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The following table details the interest rate profile of the Group's interest-bearing financial assets and liabilities at each reporting date.

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial instruments with floating rate				
Financial assets	26,997	23,618	70,854	73,034
Financial liabilities	(24,287)	(26,665)	(15,862)	(17,776)
	2,710	(3,047)	54,992	55,258
Financial instruments with fixed rate				
Financial assets	20,172	21,539	18,327	15,626

The following table of sensitivity analysis has been determined based on the exposure to floating interest rate for financial instruments as at 31 December 2018, 2019 and 2020 and 30 April 2021 and assumed that floating the amounts of financial assets and liabilities outstanding as at 31 December 2018, 2019 and 2020 and 30 April 2021 were outstanding for the whole year/period.

	Interest rate	Increase/(Decrease) in profit for the year/period	Increase/(Decrease) in retained profits
		RMB'000	*RMB'000*
Year ended 31 December 2018	Increase of 100 basis point	20	20
Year ended 31 December 2019	Increase of 100 basis point	(23)	(23)
Year ended 31 December 2020	Increase of 100 basis point	412	412
Four months ended 30 April 2021	Increase of 100 basis point	414	414

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate. The calculations are based on a change in average market interest rates for each of Track Record Period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. The analysis is performed on the same basis during the Track Record Period.

33.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Group's maximum exposure to credit risk is limited to the carrying amounts of the financial assets at each reporting date as detailed in note 33.1.

Trade receivables

The Group usually grants a credit period of 0 to 100 days to its customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically.

To measure the ECL, the Group applies the simplified approach permitted by HKFRS 9, which requires lifetime ECL to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the debtors with similar credit risk characteristics and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in which the debtors operate, which reflect the general economic conditions of the industry) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at each reporting date.

As the Group's historical ECL experience does not indicate significantly different loss patterns for different customer segments, the ECL based on past due status is not further distinguished between the Group's different customer bases.

As at 31 December 2018, 2019 and 2020 and 30 April 2021, 71%, 85%, 90% and 70% of the total gross carrying amount of trade receivables was due from the Group's five largest customers respectively.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis, the ECL for trade receivables as at 31 December 2018, 2019 and 2020 and 30 April 2021 was determined as follows:

	Expected loss rate	Gross carrying amount	ECL allowance	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2018				
Neither past due nor impaired	0.35%	48,363	168	48,195
Less than 90 days past due	0.37%	13,775	50	13,725
Over 90 days past due	1.10%	5,182	57	5,125
		67,320	275	67,045
As at 31 December 2019				
Neither past due nor impaired	0.58%	55,870	323	55,547
Less than 90 days past due	0.63%	5,128	32	5,096
Over 90 days past due	2.26%	51	1	50
		61,049	356	60,693
As at 31 December 2020				
Neither past due nor impaired	0.37%	73,630	271	73,359
Less than 90 days past due	0.39%	6,136	24	6,112
Over 90 days past due	11.28%	16	2	14
		79,782	297	79,485
As at 30 April 2021				
Neither past due nor impaired	0.18%	62,682	110	62,572
Less than 90 days past due	0.32%	16,997	54	16,943
Over 90 days past due	5.44%	189	10	179
		79,868	174	79,694

The movement in the allowance for ECL of trade receivables is as follows:

	As at 31 December			As at 30 April
	2018	2019	2020	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	211	275	356	297
Provision/(Reversal of provision) for ECL allowance on trade receivables	64	81	(59)	(123)
At the end of the year/period	275	356	297	174

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable), cash and cash equivalents, pledged bank deposits and amounts due from related parties. In order to minimise the credit risk, the management of the Group would make periodic collective and individual assessment on the recoverability of other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties are considered to be low.

The Group has assessed that the ECL for other receivables (excluding prepayments, prepaid listing expenses and value-added tax recoverable) and amounts due from related parties are minimal under the 12-month ECL method as there is no significant increase in credit risk on these financial assets since initial recognition and the risk of default is low during the Track Record Period.

For cash and cash equivalents and pledged bank deposits, the Group has assessed that they were placed at banks with high-credit ratings assigned by international credit-rating agencies. The risk of default is low based on market information and the Group considers the credit risk to be insignificant.

33.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its trade and other payables, bank borrowings, amounts due to related parties, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's and the Company's remaining contractual maturities for its non-derivative financial liabilities as at 31 December 2018, 2019 and 2020 and 30 April 2021. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

The Group

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2018			
Non-derivative financial liabilities			
Trade and other payables	104,214	104,214	104,214
Bank borrowings	24,439	24,439	24,287
Amounts due to related parties	12,801	12,801	12,801
	141,454	141,454	141,302

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2019			
Non-derivative financial liabilities			
Trade and other payables	97,980	97,980	97,980
Bank borrowings	26,720	26,720	26,665
Amounts due to related parties	5,818	5,818	5,818
	130,518	130,518	130,463

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2020			
Non-derivative financial liabilities			
Trade and other payables	117,942	117,942	117,942
Bank borrowings	15,878	15,878	15,862
	133,820	133,820	133,804

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 30 April 2021			
Non-derivative financial liabilities			
Trade and other payables	109,048	109,048	109,048
Bank borrowings	17,790	17,790	17,776
	126,838	126,838	126,824

The Company

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2019			
Non-derivative financial liabilities			
Other payables	1,726	1,726	1,726
Amounts due to subsidiaries	6,528	6,528	6,528
	8,254	8,254	8,254

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2020			
Non-derivative financial liabilities			
Other payables	960	960	960
Amounts due to subsidiaries	15,824	15,824	15,824
	16,784	16,784	16,784

	Within 1 year or on demand	Total undiscounted amount	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
As at 30 April 2021			
Non-derivative financial liabilities			
Other payables	2,527	2,527	2,527
Amounts due to subsidiaries	15,426	15,426	15,426
	17,953	17,953	17,953

33.6 Equity price risk

The Group is exposed to equity price changes arising from units in investment funds measured at FVTPL.

Units in investment funds measured at FVTPL have been chosen based on their long-term growth potential and returns and are monitored regularly for performance against expectations. The Group accounts for units in investment funds with any change in fair value recognised in profit or loss and accumulated in retained profits. With other variable held constant, an increase or decrease of 10% in market value of the Group's units in investment funds measured at FVTPL as at 31 December 2018, 2019 and 2020 and 30 April 2021 would have increased or decreased profit for the year/period and retained profits by RMB441,000, RMBNil, RMBNil and RMBNil respectively.

33.7 Fair value measurements of financial instruments

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, pledged bank deposits, trade and other receivables, trade and other payables, bank borrowings and amounts due from/(to) related parties/subsidiaries.

The carrying amounts of the Group's financial assets and liabilities measured at amortised cost are not materially different from their fair values as at 31 December 2018, 2019 and 2020 and 30 April 2021 due to their short maturities.

(ii) Financial instruments measured at fair value

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety based on the lowest level of input that is significant to the fair value measurement. The financial assets and liabilities measured at fair value on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2018			
Financial assets			
Financial assets at FVOCI (non-recycling)			
— Unlisted equity investment	—	1,578	1,578
Financial assets at FVTPL			
— Units in investment funds	4,412	—	4,412
— Unlisted wealth management products	—	15,303	15,303
Derivative financial instruments			
— Foreign exchange forward contracts	4	—	4
Total fair values	4,416	16,881	21,297
As at 31 December 2019			
Financial assets			
Financial assets at FVOCI (non-recycling)			
— Unlisted equity investment	—	1,643	1,643
Financial assets at FVTPL			
— Unlisted wealth management products	—	24,820	24,820
Derivative financial instruments			
— Foreign exchange forward contracts	1,053	—	1,053
Total fair values	1,053	26,463	27,516

	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2020			
Financial assets			
Financial assets at FVOCI (non-recycling)			
— Unlisted equity investment	—	2,114	2,114
Financial assets at FVTPL			
— Unlisted wealth management products	—	6,211	6,211
Derivative financial instruments			
— Foreign exchange forward contracts	1,576	—	1,576
Total fair values	1,576	8,325	9,901
As at 30 April 2021			
Financial assets			
Financial assets at FVOCI (non-recycling)			
— Unlisted equity investment	—	1,835	1,835
Financial assets at FVTPL			
— Unlisted wealth management products	—	6,224	6,224
Derivative financial instruments			
— Foreign exchange forward contracts	809	—	809
Total fair values	809	8,059	8,868

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the Track Record Period.

The methods and valuation techniques used for the purpose of measuring fair values categorised in Levels 2 and 3 are unchanged during the Track Record Period and are described below.

(a) Derivative financial instruments and units in investment funds (Level 2)

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at each reporting date. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated using observable forward exchange rates of the contract. The effects of non-observable inputs are not significant for the derivative financial instruments.

The fair value of units in investment funds are based on quoted market prices for identical financial instruments as at each reporting date.

(b) Unlisted equity investment and unlisted wealth management products (Level 3)

The fair values of the Group's unlisted equity investment and unlisted wealth management products as at 31 December 2018, 2019 and 2020 and 30 April 2021 have been arrived at on the basis of valuation carried out by AVISTA Valuation Advisory Limited, an independent professional qualified valuer.

The information about the fair value of unlisted equity investments and unlisted wealth management products categorised under Level 3 fair value hierarchy are described below:

			Range (weighted average)			
			As at 31 December			As at 30 April
	Valuation technique	**Unobservable input**	**2018**	**2019**	**2020**	**2021**
Unlisted equity investment *(Note (a))*	Market comparable approach	Lack of marketability discount	10%	10%	15%	15%
Unlisted wealth management products *(Note (b))*	Discounted cash flow model	Estimated rate of return	3%-4.4%	3.1%-3.6%	3.1%	3.1%

Notes:

(a) The fair value of unlisted equity investment is determined using the price-to-book ratios of comparable listed companies adjusted for lack of marketability discount. An increase in the discount for lack of marketability would decrease the fair value. As at 31 December 2018, 2019 and 2020 and 30 April 2021, it is estimated that with all other variables held constant, an increase/a decrease in discount of lack of marketability by 1% would decrease/increase the Group's other comprehensive income by RMB17,000, RMB19,000, RMB25,000 and RMB21,000 respectively.

(b) The fair value of unlisted wealth management products is determined using discounted cash flow model with estimated rate of return. An increase in the estimated rate of return would increase the fair value. As at 31 December 2018, 2019 and 2020 and 30 April 2021, it is estimated that with all other variables held constant, an increase/a decrease in estimated return by 1% would increase/decrease the Group's profit or loss by RMB439,000, RMB649,000, RMB175,000 and RMB178,000 respectively.

The reconciliations of the carrying amounts of the Group's financial instruments classified within Level 3 of the fair value hierarchy are as follows:

	Year ended 31 December			Four months ended 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investment				
At the beginning of the year/period	1,555	1,578	1,643	2,114
Fair value gain/(loss) recognised in other comprehensive income	23	65	471	(279)
At the end of the year/period	1,578	1,643	2,114	1,835
Unlisted wealth management products				
At the beginning of the year/period	6,349	15,303	24,820	6,211
Addition	13,400	27,349	—	—
Disposal	(4,725)	(18,349)	(19,231)	—
Fair value gain recognised in profit or loss	279	517	622	13
At the end of the year/period	15,303	24,820	6,211	6,224

There have been no transfers into or out of Level 3 during the Track Record Period.

34 CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to the equity holders by pricing services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt to equity ratio. For this purpose, net debt is defined as interest bearing borrowings less cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to the shareholders, issue new shares and raise new debt financing.

The net debt to equity ratios are as follows:

	As at 31 December			As at 30 April
	2018	**2019**	**2020**	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings	24,287	26,665	15,862	17,776
Less: Cash and cash equivalents	(23,601)	(23,649)	(69,655)	(68,886)
Net debt/(cash)	686	3,016	(53,793)	(51,110)
Total equity	152,695	154,919	201,634	213,976
Net debt to equity ratio	0.4%	1.9%	N/A	N/A

35 EVENTS AFTER THE REPORTING DATE

Except as disclosed elsewhere in the Historical Financial Information, the following significant events took place subsequent to 30 April 2021:

(a) The Group's amounts due from/(to) the related parties (note 24) have been settled prior to the listing.

(b) Charges over certain properties held by Mr. Zhu Boming and his spouse and personal guarantees by Mr. Zhu Boming and his spouse (note 25). Such charges and guarantees have been released prior to the Listing.

36 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 April 2021.