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Zibuyu Group Limited
子不语集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2420)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3,066,331	2,346,543
Gross profit	2,347,755	1,765,535
Profit before income tax	127,190	237,631
Profit for the year	110,694	200,509
Profit attributable to Shareholders of the Company for the year	110,694	200,509

The board (the “**Board**”) of directors (the “**Directors**”) of Zibuyu Group Limited (the “**Company**”) is pleased to announce the audited consolidated results (the “**Annual Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	3,066,331	2,346,543
Cost of sales	4	<u>(718,576)</u>	<u>(581,008)</u>
Gross profit		2,347,755	1,765,535
Selling expenses and distribution costs	4	(2,085,891)	(1,413,705)
General and administrative expenses	4	(142,060)	(108,969)
(Impairment losses)/reversal of impairment on financial assets		(4,272)	15
Other income		13,158	15,982
Other gains/(losses), net		<u>13,486</u>	<u>(9,092)</u>
Operating profit		142,176	249,766
Finance costs		(15,871)	(9,876)
Fair value changes of redeemable convertible preferred shares		<u>885</u>	<u>(2,259)</u>
Profit before income tax		127,190	237,631
Income tax expense	5	<u>(16,496)</u>	<u>(37,122)</u>
Profit and total comprehensive income for the year, all attributable to shareholders of the Company		<u>110,694</u>	<u>200,509</u>
Basic and diluted earnings per share for profit attributable to shareholders of the Company (express in RMB per share)	7	<u>0.24</u>	<u>0.44</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 31 December	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		13,595	9,109
Right-of-use assets		71,304	40,225
Intangible assets		2,789	695
Prepayments and other receivables		5,021	3,385
Deferred income tax assets		14,496	11,451
		<hr/>	<hr/>
Total non-current assets		107,205	64,865
		<hr/>	<hr/>
Current assets			
Inventories	<i>8</i>	754,669	664,323
Trade receivables	<i>9</i>	175,908	119,226
Prepayments and other receivables		20,014	89,146
Restricted cash		8,373	1,260
Cash and cash equivalents		294,539	80,855
		<hr/>	<hr/>
Total current assets		1,253,503	954,810
		<hr/>	<hr/>
Total assets		1,360,708	1,019,675
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

	<i>Note</i>	As at 31 December	
		2022	2021
		RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	<i>11</i>	—	300
Lease liabilities		<u>43,662</u>	<u>25,335</u>
Total non-current liabilities		<u>43,662</u>	<u>25,635</u>
Current liabilities			
Lease liabilities		28,136	14,506
Trade and other payables	<i>10</i>	298,653	232,005
Contract liabilities	<i>3</i>	9,928	29,650
Current income tax liabilities		25,211	28,873
Borrowings	<i>11</i>	167,797	209,939
Redeemable convertible preferred shares		—	<u>106,091</u>
Total current liabilities		<u>529,725</u>	<u>621,064</u>
Total liabilities		<u>573,387</u>	<u>646,699</u>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		174	138
Share premium		1,603,477	1,299,862
Other reserves		(1,268,012)	(1,269,519)
Retained earnings		<u>451,682</u>	<u>342,495</u>
Total equity		<u>787,321</u>	<u>372,976</u>
Total equity and liabilities		<u><u>1,360,708</u></u>	<u><u>1,019,675</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	Year ended 31 December	2021
		2022	2021
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from/(used in) operations		115,000	(190,868)
Interest received		1,080	67
Income taxes paid		(23,996)	(16,248)
		<u>92,084</u>	<u>(207,049)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(9,249)	(6,653)
Payments for intangible assets		(3,368)	(495)
Proceeds from disposals of property, plant and equipment		16	551
Payments for financial assets at fair value through profit or loss		—	(14,800)
Proceeds from sale of financial assets at fair value through profit or loss		—	20,633
		<u>(12,601)</u>	<u>(764)</u>
Cash flows from financing activities			
Proceeds from share issuance upon listing	1	210,818	—
Proceeds from issuance of redeemable preference shares		—	103,832
Proceeds from bank borrowings		262,530	245,223
Loans from related parties		—	22,030
Repayment of bank borrowings		(306,494)	(106,000)
Repayment of loans from related parties		—	(21,926)
Principal elements of lease payments		(21,610)	(15,433)
Payments of listing expenses		(1,341)	(5,775)
Decrease/(increase) in restricted cash pledged for bank borrowings		360	(360)
Business combination under common control completed in the year ended 31 December 2020		—	(6,250)
Interest paid		(14,402)	(8,344)
		<u>129,861</u>	<u>206,997</u>
Net cash generated from financing activities		129,861	206,997
Net increase/(decrease) in cash and cash equivalents		209,344	(816)
Cash and cash equivalents at beginning of the year		80,855	83,000
Effects of exchange rate changes on cash and cash equivalents		4,340	(1,329)
		<u>294,539</u>	<u>80,855</u>
Cash and cash equivalents at the end of the year		294,539	80,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Zibuyu Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 August 2018 as a limited liability company. The address of the Company’s registered office is 3–212 Governors Square, 23 Lime Tree Bay Avenue, P.O. Box 30746, Seven Mile Beach, Grand Cayman, KY1-1203, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in sale of apparel products, footwear products and other products, including electronic devices and stationery and sporting goods. The Company’s products are sourced in the People’s Republic of China (the “**PRC**”) and sold to customers in locations including the United States (the “**U.S.**”), Germany, France, Japan and other countries via third-party e-commerce platforms and self-operated online stores.

The ultimate controlling shareholders of the Group are Mr. Hua Bingru (“**Mr. Hua**”) and Ms. Yu Feng (the spouse of Mr. Hua).

On 11 November 2022, the Company completed its global initial public offering (“**IPO**”) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company made an offering of 29,250,000 ordinary shares at a price at Hong Kong Dollar (“**HK\$**”) 7.86 per share. The gross proceeds received by the Company was approximately HK\$229,905,000 (equivalent to approximately Renminbi (“**RMB**”) 210,818,000). All redeemable convertible preferred shares were converted into ordinary shares upon completion of IPO on 11 November 2022.

These consolidated financial statements are presented in thousands of RMB (“**RMB’000**”) unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements will be disclosed in the 2022 annual report.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018–2020	

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the annual reporting period commencing from 1 January 2022 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted by the Group:

Standards	Key requirements	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023

Management is currently assessing the effects of applying these new standards and amendments on the Group's consolidated financial information. None of these is expected to have a significant effect on the consolidated financial information of the Group. The Group does not expect to adopt these new standards and amendments until their effective dates.

3 SEGMENT INFORMATION

(a) Description of segments and principal activities

For management purposes, the Group is not organized into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information of customers

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
— North America	2,949,292	2,029,381
— Europe	91,331	237,576
— Others	25,708	79,586
	<u>3,066,331</u>	<u>2,346,543</u>

(b) Revenue during the years ended 31 December 2022 and 2021

Revenue from contract with customers within the scope of IFRS 15 is as follows:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
— Through third-party e-commerce platforms	2,939,005	2,052,279
— Through self-operated online stores	116,156	257,319
— Others	11,170	36,945
	<u>3,066,331</u>	<u>2,346,543</u>

The analysis of revenue from contract with customers recognized over time and at a point in time as required by IFRS 15 is set out below:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Timing of revenue recognition		
— Point in time	<u>3,066,331</u>	<u>2,346,543</u>

(c) Contract liabilities

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	<u>9,928</u>	<u>29,650</u>

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year	<u>29,524</u>	<u>112,272</u>

(d) Unsatisfied performance obligations

The following table shows the unsatisfied performance obligations resulting from contracts with customers:

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Expected to be recognized within one year	<u>32,289</u>	<u>29,650</u>

(e) Information about major customers

No individual customer's revenue exceeds 10% of the Group's total revenue during the years ended 31 December 2022 and 2021.

4 EXPENSES BY NATURE

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Freight and insurance cost	880,459	634,851
Cost of inventories sold (<i>Note 8</i>)	552,020	469,071
Commission to e-commerce platforms	520,745	349,625
Marketing and advertising expenses	458,665	319,057
Other platform charges	185,996	99,440
Employee benefits	167,816	124,497
Provision for inventories	54,768	21,162
Listing expenses	24,979	21,546
Depreciation of right-of-use assets	22,490	15,132
Labour outsourcing expenses	13,659	9,319
Office expenses	8,920	6,764
Legal and professional fees	8,491	5,544
Depreciation of property, plant and equipment	4,631	3,568
Information technology ("IT") server charges	3,359	2,475
Auditor's remuneration	2,836	268
Amortization of intangible assets	1,191	325
Lease expenses	997	227
Legal settlement	542	1,701
Other expenses	<u>33,963</u>	<u>19,110</u>
Total cost of sales, selling expenses and distribution costs and general and administrative expenses	<u>2,946,527</u>	<u>2,103,682</u>

The Group incurred expenses amounted to a total of approximately RMB19,880,000 and RMB12,590,000 related to research and development of new IT systems for the years ended 31 December 2022 and 2021, respectively. Such expenses mainly comprise remuneration paid to certain staff, rental paid to IT server and amortization of certain software, which have been included in the above Employee benefits, IT server charges and Amortization of intangible assets, respectively.

5 INCOME TAX EXPENSE

The amount of income tax charged to the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	19,541	35,068
Deferred income tax	<u>(3,045)</u>	<u>2,054</u>
Income tax expense	<u>16,496</u>	<u>37,122</u>

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the entity operates.

(i) Cayman Islands profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is exempted from payment of the Cayman Islands income tax.

(ii) British Virgin Islands (“BVI”) profits tax

The Company’s subsidiaries incorporated in the BVI are exempted from BVI income tax, as they are incorporated under the International Business Companies Act of the BVI.

(iii) Hong Kong profits tax

The Company’s subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the years ended 31 December 2022 and 2021.

(iv) PRC corporate income tax (“CIT”)

The Company’s subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations, except for disclosed below.

Zhejiang Zibuyu E-commerce Co., Ltd. and Hangzhou Xingzezhi Internet Technology Co., Ltd., subsidiaries of the Company, had been recognized as the High New Tech Enterprises in 2021 and 2020, respectively. According to the tax incentives of the Corporate Income Tax Law of the People’s Republic of China (the “CIT Law”) for High New Tech Enterprises, these companies are subject to a reduced corporate income tax rate of 15% for three years commencing from the first year when these entities were recognized as the High New Tech Enterprises.

For the years ended 31 December 2022 and 2021, several subsidiaries in PRC were qualified as small and micro enterprises under the PRC CIT regime, which enjoyed a corporate income tax rate of 20%. For the year ended 31 December 2022, annual taxable income shall be computed at a reduced rate of 12.5% or 25% (2021: 12.5% or 50%) for these subsidiaries.

(v) **PRC withholding income tax**

According to the CIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies, including those incorporated in Hong Kong.

During the years ended 31 December 2022 and 2021, no dividend withholding tax for PRC companies was provided as the directors have confirmed that the Group does not expect those subsidiaries to distribute the retained earnings as at 31 December 2022 and 2021 in the foreseeable future. Unremitted earnings on which deferred income tax liabilities have not been recognized totalled RMB316,072,000 and RMB246,301,000 as at 31 December 2022 and 2021.

The difference between the actual income tax expense charged to the consolidated statement of comprehensive income and the amounts which would result from applying the enacted tax rates to profit before income tax can be reconciled as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Profit before income tax	<u>127,190</u>	<u>237,631</u>
Tax calculated at tax rates applicable to profits of the respective subsidiaries	25,208	51,857
Preferential tax of certain subsidiaries	(5,019)	(12,503)
Expenses not deductible for tax purposes	186	876
Super deductions for research and development expenditures (i)	(4,469)	(2,410)
Income not subject to tax	(1,070)	(415)
Others	<u>1,660</u>	<u>(283)</u>
Income tax expense	<u>16,496</u>	<u>37,122</u>

(i) ***Super deductions for research and development expenditures***

According to the relevant laws and regulations promulgated by the State Tax Bureau of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim up to 175% or 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the years ended 31 December 2022 and 2021.

6 DIVIDENDS

At a meeting held on 27 March 2023, the Board proposed the payment of a final dividend of HK\$0.05 per share for the year ended 31 December 2022 (2021: nil), representing total amount of HK\$25,000,000 (equivalent to approximately RMB21,885,000) (2021: nil). This dividend is not reflected as a dividend payable in the consolidated financial statements for the year ended 31 December 2022.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the respective periods. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effect of the share subdivision completed on 16 September 2022 whereby each ordinary share was subdivided into 200 ordinary shares and the capitalisation issue of 57,950,000 shares completed upon listing, which are deemed to have been in issue since 1 January 2021.

On 11 November 2022, the Company issued 29,250,000 ordinary shares through IPO and the redeemable convertible preferred shares were converted to 12,800,000 ordinary shares.

	Year ended 31 December	
	2022	2021
Profit attributable to the shareholders of the Company (RMB'000)	110,694	200,509
Weighted average number of ordinary shares in issue ('000)	463,710	457,950
Basic earnings per share (express in RMB per share)	0.24	0.44

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all potentially dilutive ordinary shares.

As at 31 December 2022, diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding.

As at 31 December 2021, the Company has one category of dilutive potential ordinary shares: redeemable convertible preferred shares. The dilutive potential ordinary shares were not included in the calculation of diluted earnings per share as the condition of conversion i.e. occurrence of the IPO of the Company of such convertible preferred shares to ordinary shares were not satisfied as at 31 December 2021. Accordingly, diluted earnings per share presented is the same as the basic earnings per share for the year ended 31 December 2021.

8 INVENTORIES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	807,129	694,227
Right of goods return	8,436	6,964
Less: provision	<u>(60,896)</u>	<u>(36,868)</u>
	<u>754,669</u>	<u>664,323</u>

The cost of inventories recognized as expenses and included in cost of sales amounted to RMB552,020,000 and RMB469,071,000 for the years ended 31 December 2022 and 2021, respectively.

9 TRADE RECEIVABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	176,792	119,825
Less: provision for impairment	<u>(884)</u>	<u>(599)</u>
	<u>175,908</u>	<u>119,226</u>

The majority of the Group's receivables are with credit term approximately from 10 days to 90 days. As at 31 December 2022 and 2021, the aging analysis of the trade receivables, based on the recognition date, was as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 3 months	169,763	114,638
3 months to 6 months	4,626	1,831
6 months to 12 months	2,090	2,504
More than 1 year	<u>313</u>	<u>852</u>
	<u>176,792</u>	<u>119,825</u>

The movements in provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	599	837
Provisions/(reversal) for trade receivables	4,272	(15)
Written off as uncollectible	(3,987)	(223)
	<hr/>	<hr/>
At the end of the year	<u>884</u>	<u>599</u>

For the trade receivables, the Group has assessed the expected credit losses by considering historical default rates, existing market conditions and forward-looking information. Based on the assessment, the creation and reversal for impaired receivables have been included in the net impairment losses on financial assets. Amounts charged to allowance account are written off when there is no expectation of receiving the receivables.

The carrying amounts excluding provision of the Group's trade receivables were denominated in the following currencies:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
U.S. Dollar (“US\$”)	159,650	101,077
RMB	9,856	15,234
European Dollar (“EUR”)	3,167	2,010
Great Britain Pound (“GBP”)	2,511	1,273
Canadian Dollar (“CAD”)	1,195	62
Brazilian Real (“BRL”)	1	36
Japanese Yen (“JPY”)	1	10
Others	411	123
	<hr/>	<hr/>
	<u>176,792</u>	<u>119,825</u>

10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	150,896	117,751
Refund liabilities	51,112	34,122
Payroll and social security	40,706	46,423
Accrued payables to third-party e-commerce platforms	31,693	6,956
Payable for listing expenses	9,711	4,330
Other tax payables	1,508	11,800
Interest payables	239	292
Other payables	12,788	10,331
	<u>298,653</u>	<u>232,005</u>

- (i) As at 31 December 2022 and 2021, the aging analysis of the trade payables based on transaction date was as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	148,646	106,269
Between 3 months and 1 year	2,138	11,446
Between 1 year and 2 years	112	11
Over 2 years	—	25
	<u>150,896</u>	<u>117,751</u>

The carrying amounts of trade and other payables approximate their fair values.

11 BORROWINGS

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Bank borrowings — Secured (i)	—	300
Current		
Bank borrowings — Unsecured	167,797	79,800
Bank borrowings — Secured (i)	—	130,139
	<u>167,797</u>	<u>210,239</u>

- (i) As at 31 December 2021, the borrowings of RMB50,000,000 were guaranteed by Mr. Hua Bingru, Mr. Wang Shijian, Ms. Yu Feng and Hangzhou Zibuyu Supply Chain Management Co., Ltd., a subsidiary of the Group. The borrowings of RMB19,000,000 were secured by the pledge of property with maximum financing principal of RMB19,000,000. The property belongs to Mr. Hua Bingru. The borrowings of US\$2,500,000 (equivalent to RMB15,939,000) were guaranteed by Mr. Hua Bingru and the Company. The borrowings of RMB14,010,000 were secured by the pledge of property with maximum financing principal of RMB16,640,000. The property belongs to Mr. Wang Weiping and Ms. Chen Xiaodong. The borrowings of RMB13,030,000 were secured by the pledge of property with maximum financing principal of RMB16,090,000. The property belongs to Mr. Wang Shijian and Ms. Rao Xingxing (the spouse of Mr. Wang Shijian). The borrowings of RMB7,720,000 were secured by the pledge of property with maximum financing principal of RMB10,930,000. The property belongs to Mr. Dong Zhenguo. The borrowings of RMB7,240,000 were secured by the pledge of property with maximum financing principal of RMB11,200,000. The property belongs to Mr. Hua Bingru and Ms. Yu Feng. The borrowings of RMB3,200,000 were secured by the pledge of property with maximum financing principal of RMB3,200,000. The property belongs to a third-party individual. The borrowings of RMB300,000 were secured by the pledge of time deposit of RMB360,000.
- (ii) The weighted average effective interest rates during the years ended 31 December 2022 and 2021 were as follows:

	Year ended 31 December	
	2022	2021
Bank borrowings	5.01%	5.05%

The fair values of the borrowings of the Group are approximate to their carrying amounts, since either the interest rates of those borrowings are close to current market rates or the borrowings are of a short-term nature.

- (iii) The analysis of the carrying amounts of the Group's borrowings by currency was as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	157,640	194,300
US\$	10,157	15,939
	<u>167,797</u>	<u>210,239</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group endeavors to become a world renowned e-commerce fashion brand to meet our global customers' fashion needs on a timely and seamless basis. We are pleased to announce our impressive results for the fiscal year 2022:

In 2022, our revenue continued to grow and amounted to approximately RMB3,066.3 million, representing a year-on-year increase of approximately 30.7%, which was a new historical record despite the general economic downturn worldwide. This is a testament to our excellent and efficient e-commerce operation capabilities.

In 2022, we have continued to expand our product categories, basically covering most of the apparel subcategories available on Amazon. Our footwear sales on Amazon increased by over 1.5 times compared to the previous year. As we gradually expanded our apparel and footwear product offerings to cover all categories, we have established a solid foundation for our long-term growth.

In 2022, our sales channels were further expanded by collaborating with platforms such as TEMU, which allowed us to enrich our sales channels on different platforms and further expand our sales network.

In 2022, the influence of our self-owned brands were further extended with a more diverse brand matrix. Our brand building model has proven to be effective, and our top ten best-selling brands saw an almost double increase in sales year-on-year. This success is attributed to our strong brand cultivation capabilities and our design team with extensive experience in the industry.

We are one of the leading market players in China's cross-border e-commerce export B2C apparel and footwear market. As our business continues to expand, our competitiveness in the industry will be further strengthened.

FINANCIAL REVIEW

For the year ended 31 December 2022, the Group's revenue was approximately RMB3,066.3 million. Gross profit was approximately RMB2,347.8 million, representing a year-on-year increase of approximately 33.0%. Profit and total comprehensive income for the year attributable to the shareholders of the Company was approximately RMB110.7 million, decreased by approximately 44.8% when compared with approximately RMB200.5 million in 2021. Basic and diluted earnings per share of the profit attributable to the shareholders of the Company was approximately RMB0.24 (2021: RMB0.44).

Revenue

For the year ended 31 December 2022, revenue of the Group amounted to approximately RMB3,066.3 million, representing an increase of approximately 30.7% when compared with approximately RMB2,346.5 million for the year ended 31 December 2021. The increase of revenue was mainly due to the increase in sales of our best-selling products as well as new products launched through Amazon as we strategically focused more on continuous sales expansion on third-party e-commerce platforms, particularly Amazon.

Revenue by Sales Channel

The following table sets forth our revenue breakdown by sales channel for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
— Through third-party e-commerce platforms	2,939,005	2,052,279
— Through self-operated online stores	116,156	257,319
— Others	11,170	36,945
	<u>3,066,331</u>	<u>2,346,543</u>

For the year ended 31 December 2022, the revenue from third-party e-commerce platforms was approximately RMB2,939.0 million, representing an increase of approximately RMB886.7 million, or approximately 43.2%, when compared with approximately RMB2,052.3 million for the year ended 31 December 2021. The increase was mainly because we strategically focused more on expanding our sales on the Amazon platform, and the revenue generated on the Amazon platform was the main source of income from third-party e-commerce platforms.

Revenue by Geographical Location

The following table sets forth our revenue breakdown by geographical location for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
— North America	2,949,292	2,029,381
— Europe	91,331	237,576
— Others	25,708	79,586
	<u>3,066,331</u>	<u>2,346,543</u>

For the year ended 31 December 2022, the revenue from North America was approximately RMB2,949.3 million, representing an increase of approximately RMB919.9 million, or approximately 45.3%, when compared with approximately RMB2,029.4 million for the year ended 31 December 2021. The increase was primarily because we strategically shifted our focus to sale through Amazon, the target market of which is mainly in North America.

Cost of Sales

Cost of sales of the Group primarily consists of (i) cost of inventories sold; (ii) freight and insurance cost; and (iii) provision for inventories. The cost of sales of the Group for the year ended 31 December 2022 amounted to approximately RMB718.6 million, representing an increase of approximately RMB137.6 million, or a year-on-year increase of approximately 23.7%, from approximately RMB581.0 million for the year ended 31 December 2021, which was mainly due to (i) the increase in relevant cost of goods and freight and insurance cost as a result of the increase in sales; and (ii) the increase in provision for inventories.

Gross Profit and Gross Profit Margin

Gross profit of the Group amounted to approximately RMB2,347.8 million for the year ended 31 December 2022, representing an increase of approximately RMB582.3 million compared with approximately RMB1,765.5 million for the year ended 31 December 2021. Gross profit margin of the Group was approximately 76.6% for the year ended 31 December 2022, which remained stable with an increase of 1.4 percentage points when compared with approximately 75.2% for the year ended 31 December 2021.

Other Income

Other income of the Group mainly includes government grants, consulting services income and others.

The following table sets forth a breakdown of other income for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants (a)	11,463	11,226
Consulting services income	245	2,304
Others	1,450	2,452
	<u>13,158</u>	<u>15,982</u>

(a) Government grants provided to the Group mainly related to financial subsidies received from the local governments in the PRC. There are no unfulfilled conditions or other contingencies relating to these grants.

Other income of the Group decreased by approximately RMB2.8 million to approximately RMB13.2 million for the year ended 31 December 2022 from approximately RMB16.0 million for the year ended 31 December 2021. The decrease was primarily due to the decrease in income from the consulting services.

Other Gains/(Losses), Net

Other gains/(losses), net of the Group mainly includes foreign exchange gains/(losses), net.

The following table sets forth a breakdown of other gains/(losses), net for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gains/(losses)	13,512	(8,566)
Fair value gains of financial assets at fair value through profit or loss	—	33
Net losses on disposal of right-of-use assets	(21)	—
Net losses on disposal of property, plant and equipment	(27)	(53)
Penalty and interest for late payment of taxes	—	(475)
Others	22	(31)
	<u>13,486</u>	<u>(9,092)</u>

We recorded foreign exchange gains of approximately RMB13.5 million for the year ended 31 December 2022, compared with the foreign exchange losses of approximately RMB8.6 million for the year ended 31 December 2021, primarily due to the change in exchange rates of US\$ against RMB.

Selling Expenses and Distribution Costs

Selling expenses and distribution costs of the Group primarily consist of (i) freight and insurance cost; (ii) commission to e-commerce platforms; (iii) marketing and advertising expenses; (iv) other platform charges; and (v) employee benefits and others.

Selling expenses and distribution costs of the Group increased by approximately 47.5% to approximately RMB2,085.9 million for the year ended 31 December 2022 from approximately RMB1,413.7 million for the year ended 31 December 2021. The increase was primarily due to (i) the increase in freight and insurance cost along with the increase in sales; (ii) the increase in marketing and advertising expenses; (iii) the increase in revenue and total sales return rate through third-party e-commerce platforms, which resulted in an increase in the relevant commission to e-commerce platforms and other distribution costs.

General and Administrative Expenses

General and administrative expenses of the Group primarily consist of (i) employee benefits; (ii) listing expenses; (iii) legal and professional fees; (iv) auditor's remuneration; and (v) office expenses and others. General and administrative expenses of the Group increased by approximately RMB33.1 million to approximately RMB142.1 million for the year ended 31 December 2022 from approximately RMB109.0 million for the year ended 31 December 2021. The increase was primarily due to (i) the increase in employee benefits; (ii) the increase in one-off listing expenses, legal and professional fees and auditor's remuneration; and (iii) the increase in office and other administrative expenses due to the increase in headcount.

Finance Costs

Finance costs of the Group mainly consist of (i) interest expenses on bank borrowings; (ii) interest expenses for lease liabilities; (iii) net foreign exchange losses on bank borrowings; and (iv) others.

The following table sets forth a breakdown of finance costs for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on bank borrowings	11,135	6,588
Interest expenses for lease liabilities	3,011	1,851
Net foreign exchange losses on bank borrowings	1,522	1,329
Interest expenses on loans from related parties	—	18
Others	203	90
	<hr/>	<hr/>
Finance costs	<u>15,871</u>	<u>9,876</u>

For the year ended 31 December 2022, our finance costs amounted to approximately RMB15.9 million, representing an increase of approximately RMB6.0 million when compared with approximately RMB9.9 million for the year ended 31 December 2021, which was mainly due to the increase in interest expenses on bank borrowings and lease liabilities.

Profit Before Income Tax

Profit before income tax of the Group decreased by approximately 46.5% to approximately RMB127.2 million for the year ended 31 December 2022 from approximately RMB237.6 million for the year ended 31 December 2021. Profit before income tax of the Group as a percentage of the revenue decreased to approximately 4.1% for the year ended 31 December 2022 from approximately 10.1% for the year ended 31 December 2021, primarily due to the decrease in the Group's operating profit.

Income Tax Expenses

Income tax expenses of the Group consist of (i) current income tax; and (ii) deferred income tax.

The following table sets forth a breakdown of our income tax expenses for the years indicated:

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	19,541	35,068
Deferred income tax	(3,045)	2,054
	<hr/>	<hr/>
Income tax expense	<u>16,496</u>	<u>37,122</u>

Our income tax expense decreased by approximately 55.6% to approximately RMB16.5 million for the year ended 31 December 2022 from approximately RMB37.1 million for the year ended 31 December 2021, primarily due to the decrease in taxable profit.

Profit for the Year

As a result of the aforesaid, the Group recorded profit and total comprehensive income for the year attributable to shareholders of the Company of approximately RMB110.7 million for the year ended 31 December 2022, representing a decrease of approximately 44.8% as compared with approximately RMB200.5 million for the year ended 31 December 2021.

Capital Expenditures

The capital expenditures of the Group primarily consist of property, plant and equipment and intangible assets. For the year ended 31 December 2022, capital expenditures of the Group amounted to approximately RMB12.6 million (2021: approximately RMB7.1 million), which was primarily due to the increase in establishment and use of office equipment and supply chain and warehouse equipment. The Group funded its capital expenditures through the cash generated from operations and the net proceeds from the Global Offering.

Save as disclosed above, we did not have any significant capital commitment as of 31 December 2022.

Contingent Liabilities, Guarantees and Litigations

As at 31 December 2022, the Group did not have any significant unrecorded contingent liabilities, guarantees or litigations.

Liquidity and Financial Resources

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank borrowings and net proceeds from the Global Offering.

As of 31 December 2022 and 31 December 2021, the Group had cash and cash equivalents of approximately RMB294.5 million and RMB80.9 million, respectively.

To manage the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows.

Gearing Ratio

The Group's gearing ratio (total liabilities divided by total assets and multiplied by 100%), decreased to approximately 42.1% as of 31 December 2022 from approximately 63.4% as of 31 December 2021, primarily due to (i) decrease in liabilities as a result of the conversion of the redeemable convertible preferred shares into ordinary shares on the Listing Date, and the increase in equity as a result of the increase in share capital and share premium after the new issues of shares; and (ii) the increase in equity as a result of the increase in profit for the year.

Future Plans for Material Acquisition and Major Investment

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and in this announcement, the Group did not have any other plans related to major investment or acquisition of material capital assets.

Pledge of Assets

The Company does not have any pledged assets as at 31 December 2022.

Transactions in Sanctioned Countries or with Sanctioned Persons

During the Reporting Period, proper internal control and risk management measures relating to sanction laws, as disclosed in the Prospectus, had been implemented and the Group did not have any transactions in comprehensively sanctioned countries or with sanctioned persons. As at 31 December 2022, the Group did not anticipate any activities in comprehensively sanctioned countries or with sanctioned persons.

Employees, Staff Cost and Remuneration Policy

As of 31 December 2022, the Group had 1,233 full-time employees in total (31 December 2021: 947 full-time employees in total), mainly based in the mainland China. In 2022, the Group hired an addition of 286 full-time employees. For the year ended 31 December 2022, total staff cost incurred by the Group was approximately RMB167.8 million, representing a year-on-year increase of approximately 34.8% when compared with approximately RMB124.5 million for the year ended 31 December 2021. Such increase was mainly attributable to the increase in the number of employees due to business development of the Group.

Our success depends on our ability to attract, retain and motivate qualified personnel. We use various methods for our recruitment, including campus recruitment, internal and external recommendation and recruiting through headhunting firms or agents, to satisfy our demands for different types of talents, and we adopt high standards and stringent procedures in our recruitment to ensure the quality of new hiring. Our employees typically enter into standard labor contracts with us.

We provide competitive compensation packages. Remuneration packages for our employees mainly comprise base salary and performance-based bonus. We set performance targets for our employees primarily based on their position and department and periodically review their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. To maintain and enhance the knowledge and skill levels of our workforce, we provide our employees with internal training, including orientation programs for new employees and technical training for existing employees. We also offer external training opportunities to our management team and other staff.

As of 31 December 2022, the Group did not adopt any share option scheme or share incentive scheme.

FUTURE PROSPECTS

In 2022, the global economic growth experienced a slowdown due to the pandemic. As we enter the post-pandemic era, the global economic recovery will take some time, and high inflation persists in some regions and countries in Europe and America. Accordingly, the Company foresees that the fiscal year 2023 will be a challenging period for our Group.

Despite these challenges, the Company is well-positioned to tackle all kinds of challenges as a leading market player in China's cross-border e-commerce export B2C apparel and footwear market. Leveraging our significant design capacities, efficient e-commerce operations, robust supply chain integration and industry-leading digital management expertise, we will continue to strengthen our efforts to establish Zibuyu as an internationally-renowned operator of fashion apparel and footwear products. The Board and management of the Group have developed the following major strategies:

- Continue to expand more sales channels and market coverage;
- Continue to enhance product innovation capabilities and premium of new products;
- Increase investment in branding with focus on raising the market share of core brands;
- Continue to increase investment in informatization and further strengthen our digital management abilities and operation efficiency;
- Further expand the team of management talents in supply chain and marketing to strengthen our management capacities and competitive strengths in the industry.

Our unwavering perseverance and dedication to success will undoubtedly pave the way for a bright future ahead. Despite facing various challenges, we remain optimistic about the global economic recovery and development, and we are determined to overcome any

obstacles that come our way. Our objective is to achieve a significant improvement in our business performance in the fiscal year 2023, pursue growth, maintain excellence, and reward our Shareholders.

DIVIDEND

The Board proposed the payment of a final dividend of HK\$5 cents per share for the year ended 31 December 2022 (2021: nil), subject to the approval of the Shareholders at the 2022 Annual General Meeting to be held on Tuesday, 20 June 2023. The proposed dividends will be distributed on Tuesday, 8 August 2023 to Shareholders whose names appear on the register of members of the Company on Friday, 14 July 2023.

To determine the entitlement of Shareholders to the proposed 2022 final dividend, the register of members of the Company will be closed from Tuesday, 11 July 2023 to Friday, 14 July 2023, both days inclusive. In order to qualify for the proposed 2022 final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30pm on Monday, 10 July 2023.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year ended 31 December 2022, other than disclosed elsewhere in this announcement, there are no significant events after the Reporting Period that may affect the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Company is committed to maintaining high standards of corporate governance to safeguard Shareholders' rights, enhance corporate value, develop business strategies and policies, and improve transparency and accountability of the Company.

The Company's corporate governance practices are based on the principles and provisions set out in the Corporate Governance Code as amended from time to time, which are contained in Appendix 14 to the Listing Rules. From the Listing Date to 31 December 2022, the Company has complied with the provisions of the Corporate Governance Code, except for the deviation from code provision C.2.1 of the Corporate Governance Code.

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of both chairman of the Board and chief executive officer are performed by Mr. Hua Bingru ("Mr. Hua"). Mr. Hua is the founder of the Group, the chairman of the Board and the chief executive officer of the Company. He has been primarily responsible for formulating the overall corporate and business strategies and overseeing the management and operation of the Group. The Directors consider that

vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Mr. Hua is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, the Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Mr. Hua and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of five executive Directors (including Mr. Hua), one non-executive Director and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made after thorough discussions at both Board and senior management levels.

The Board will continue to review and monitor the practices of the Company to comply with the Corporate Governance Code and maintain high standards of corporate governance.

SECURITIES TRANSACTIONS MADE BY THE DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions made by the Directors. After making specific inquiries to all Directors, they confirmed that they have complied with the provisions of the Model Code since the Listing Date until 31 December 2022.

Due to the fact that designated employees (including senior management) may from time to time be privy to inside information, the Company has extended the scope of the securities code of conduct to include such employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company.

ANNUAL GENERAL MEETING

The Annual General Meeting is proposed to be held on Tuesday, 20 June 2023. A notice convening the annual general meeting will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

For the purpose of determination of eligibility to attend and vote at the annual general meeting, the register of members of the Company will be closed from Thursday, 15 June 2023 to Tuesday, 20 June 2023, both days inclusive. In order to be entitled to attend the annual general meeting, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than Wednesday, 14 June 2023.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows and notes to the consolidated financial statements for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and the Corporate Governance Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Yu Kefei, Mr. Shen Tianfeng and Dr. Lau Kin Shing Charles. Mr. Yu Kefei is the chairman of the Audit Committee. The annual results of the Group for the year ended 31 December 2022 have been audited by PricewaterhouseCoopers. The Audit Committee has reviewed the Company's audited consolidated results for the Reporting Period, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.zbycorp.com). The annual report of the Company for the year ended 31 December 2022 will be dispatched to the shareholders of the Company and will be available on the website of the Stock Exchange and that of the Company in due course.

By order of the Board
Zibuyu Group Limited
Chairman
Mr. Hua Bingru

Hong Kong, 27 March 2023

As at the date of this announcement, the Board comprises Mr. Hua Bingru, Mr. Wang Shijian, Mr. Wang Weiping, Mr. Dong Zhenguo and Mr. Xu Shijian as the executive Directors; Ms. Hua Hui as the non-executive Director; and Mr. Yu Kefei, Mr. Shen Tianfeng and Dr. Lau Kin Shing Charles as the independent non-executive Directors.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

“2022 Annual General Meeting”	the annual general meeting for the year ended 31 December 2022 of the Company to be convened on 20 June 2023
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	our board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, do not apply to Hong Kong, Macau and Taiwan
“Company” or “our Company”	Zibuyu Group Limited (子不语集团有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 6 August 2018, the Shares of which are listed on the Main Board of the Stock Exchange (stock code : 2420)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “we,” or “us”	our Company and our subsidiaries from time to time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Date”	11 November 2022, the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 31 October 2022
“Reporting Period”	the year ended 31 December 2022
“RMB” or “Renminbi”	the lawful currency of the PRC
“sanctioned person(s)”	certain person(s) and identity(ies) listed on OFAC’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., European Union, United Nations or Australia
“Share(s)”	ordinary share(s) in the share capital of our Company with nominal value of US\$0.01 each before share subdivision and with nominal value of US\$0.00005 each after share subdivision
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent