AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.
傲基(深圳)跨境商務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2519)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025 as follows:

FINANCIAL HIGHLIGHTS

Unit: RMB'000

	Year ended 31 December			
	2025	2024	2023	2022
Revenue	**13,698,738**	10,709,648	8,682,977	7,100,230
Gross profit	**3,608,170**	3,297,130	2,993,690	2,479,049
Profit before tax	**189,340**	630,643	639,908	232,002
Profit for the year	**152,586**	521,196	520,101	223,169
Profit attributable to owners of the Company for the year	**161,139**	504,299	532,010	219,054

Unit: RMB'000

	As at 31 December			
	2025	2024	2023	2022
Assets				
Non-current assets	**4,137,579**	4,011,030	2,031,731	2,226,484
Current assets	**5,997,382**	4,768,520	3,145,796	2,731,460
Total assets	**10,134,961**	8,779,550	5,177,527	4,957,944
Liabilities				
Non-current liabilities	**2,968,541**	2,994,458	1,100,888	972,055
Current liabilities	**4,013,762**	2,675,779	1,803,872	2,204,371
Total liabilities	**6,982,303**	5,670,237	2,904,760	3,176,426

			As at 31 December	
	2025	2024	2023	2022
Equity				
Total equity	**3,152,658**	3,109,313	2,272,767	1,781,518
Equity attributable to owners of the Company	**3,132,425**	3,079,521	2,262,194	1,762,512
Total equity and liabilities	**10,134,961**	8,779,550	5,177,527	4,957,944

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	**2025**	2024
		RMB'000	*RMB'000*
Revenue	*4*	**13,698,738**	10,709,648
Cost of sales		**(10,090,568)**	(7,412,518)
Gross profit		**3,608,170**	3,297,130
Other income		**61,352**	50,567
Impairment losses under expected credit loss model ("**ECL**"), net of reversal		**(20,723)**	(8,308)
Other gains and losses		**(49,624)**	67,662
Selling expenses		**(2,513,097)**	(2,071,846)
Administrative expenses		**(445,956)**	(390,297)
Research and development expenses		**(182,127)**	(130,016)
Other expenses		**(19,000)**	(15,933)
Listing expenses		**–**	(42,354)
Share of results of investments accounted for using the equity method		**14,705**	(3,507)
Finance costs		**(264,360)**	(122,455)
Profit before tax		**189,340**	630,643
Income tax expense	*5*	**(36,754)**	(109,447)
Profit for the year		**152,586**	521,196
Other comprehensive income/(expense) for the year			
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**32,139**	(95,104)

	NOTE	**2025**	2024
		RMB'000	*RMB'000*
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,916)**	(2,211)
Share of other comprehensive income of investments accounted for using the equity method, net of related income tax		**424**	899
		(1,492)	(1,312)
Other comprehensive income (expense) for the year		**30,647**	(96,416)
Total comprehensive income for the year		**183,233**	424,780
Profit (loss) for the year attributable to:			
Owners of the Company		**161,139**	504,299
Non-controlling interests		**(8,553)**	16,897
		152,586	521,196
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**192,792**	409,340
Non-controlling interests		**(9,559)**	15,440
		183,233	424,780
Earnings per share			
– Basic and diluted (RMB)	*7*	**0.39**	1.29

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 December 2025

	NOTES	**2025**	2024
		RMB'000	*RMB'000*
Non-current Assets			
Property, plant and equipment		**889,331**	728,140
Right-of-use assets		**2,693,033**	2,769,803
Intangible assets		**10,173**	26,034
Investments accounted for using the equity method		**121,619**	72,257
Financial assets at fair value through profit or loss ("**FVTPL**")		**118,608**	9,075
Equity instruments at FVTOCI		**56,742**	101,825
Deferred tax assets		**196,680**	209,986
Finance lease receivables		**51,393**	61,421
Pledged bank deposits		**–**	20,200
Deposit for acquisition of property, plant and equipment		**–**	2,289
Bank deposit with original maturity over three months		**–**	10,000
Total Non-current Assets		**4,137,579**	4,011,030
Current Assets			
Inventories		**1,627,440**	1,445,386
Trade receivables	*8*	**1,560,190**	1,269,396
Contract assets		**31,366**	22,290
Prepayments and other receivables		**532,695**	399,761
Financial assets at FVTPL		**101,790**	23,263
Finance lease receivables		**20,708**	14,007
Pledged bank deposits		**500,067**	230,665
Bank deposit with original maturity over three months		**10,000**	–
Cash and cash equivalents		**1,613,126**	1,363,752
Total Current Assets		**5,997,382**	4,768,520

	NOTES	2025	2024
		RMB'000	*RMB'000*
Current Liabilities			
Trade and other payables	*9*	**1,854,820**	1,523,741
Tax payable		**22,978**	24,781
Bank borrowings	*10*	**1,555,416**	716,626
Lease liabilities		**366,623**	231,345
Contract liabilities		**147,225**	155,003
Refund liabilities		**66,700**	24,283
Total Current Liabilities		**4,013,762**	2,675,779
Net Current Assets		**1,983,620**	2,092,741
Total Assets less Current Liabilities		**6,121,199**	6,103,771
Non-current Liabilities			
Bank borrowings	*10*	**239,518**	257,174
Lease liabilities		**2,729,023**	2,737,284
Total Non-current Liabilities		**2,968,541**	2,994,458
Net Assets		**3,152,658**	3,109,313
Capital and Reserves			
Share capital		**415,206**	415,206
Reserves		**2,717,219**	2,664,315
Equity attributable to owners of the Company		**3,132,425**	3,079,521
Non-controlling interests		**20,233**	29,792
Total Equity		**3,152,658**	3,109,313

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. (previously known as Shenzhen Aukey E-Business Co., Ltd. and AuGroup Technology Co., Ltd.) (the "**Company**") was incorporated in the PRC as a joint stock company with limited liability. Its ultimate controlling parties are Mr. Lu Haizhuan ("**Mr. Lu**"), who is also the co-founder, Chairman, Executive Director and Chief Executive Officer of the Company and Mr. Ze Kuaiyue ("**Mr. Ze**"), who is also the co-founder, Vice-Chairman, Executive Director and Chief financial Officer of the Company. The respective addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Company and its subsidiaries (the "**Group**") are (i) sales of goods and (ii) provision of logistic solutions, including warehousing services, express and freight delivery services and related value-added services.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	*Lack of Exchangeability*

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective
The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature – Dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS Accounting Standards	*Annual Improvement to IFRS Accounting Standards – Volume 11*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]

1 Effective for the Group's annual periods beginning on or after a date to be determined

2 Effective for the Group's annual periods beginning on or after 1 January 2026

3 Effective for the Group's annual periods beginning on or after 1 January 2027

Except for new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of the reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("**IFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets* ("**IAS 36**").

4. REVENUE AND OPERATING SEGMENTS

(i) Disaggregation of revenue from contracts with customers

Types of goods or service

	2025	2024
	RMB'000	*RMB'000*
Furniture, home furnishings and home appliances	**7,610,977**	6,740,016
Electric tools	**1,061,689**	741,733
Other products (Note)	**909,175**	786,443
Logistics solutions	**4,116,897**	2,441,456
	13,698,738	10,709,648

Note: Other products mainly include consumer electronics and maternity and child products.

Sales channels

	2025	2024
	RMB'000	*RMB'000*
Revenue from sales of goods		
– Through third party e-commerce platforms	**8,686,819**	7,410,840
– Through other channels (Note)	**895,022**	857,352
	9,581,841	8,268,192
Logistics solutions – income	**4,116,897**	2,441,456
Total	**13,698,738**	10,709,648

Note: Other channels represent offline channels.

(ii) Operating Segments

Information reported to the Mr. Lu and Mr. Ze, executive directors and beneficial shareholders of the Company, being the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's operating and reportable segments under IFRS 8 Operating Segments are as follows:

1. Sales of goods

2. Logistics solutions

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Sales of Goods *RMB'000*	**Logistics solutions** *RMB'000*	**Eliminations** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	**9,581,841**	**4,116,897**	**–**	**13,698,738**
Inter-segment sales	**–**	**1,764,844**	**(1,764,844)**	**–**
	9,581,841	**5,881,741**	**(1,764,844)**	**13,698,738**
Segment profit	**894,538**	**230,429**	**(29,894)**	**1,095,073**
Share of results of investments accounted for using the equity method				**14,705**
Other income				**61,352**
Other gains and losses				**(49,624)**
Finance costs				**(264,360)**
Unallocated corporate expenses				**(667,806)**
Group's profit before tax				**189,340**

For the year ended 31 December 2024

	Sales of Goods *RMB'000*	Logistics solutions *RMB'000*	Eliminations *RMB'000*	Consolidated *RMB'000*
Segment revenue	8,268,192	2,441,456	–	10,709,648
Inter-segment sales	–	599,063	(599,063)	–
	8,268,192	3,040,519	(599,063)	10,709,648
Segment profit	931,969	297,468	(4,153)	1,225,284
Share of results of investments accounted for using the equity method				(3,507)
Other income				50,567
Other gains and losses				67,662
Finance costs				(122,455)
Unallocated corporate expenses				(586,908)
Group's profit before tax				630,643

Geographical information

The Group's non-current assets, excluding financial instruments and deferred tax assets by geographical location of assets and details are presented as below:

	2025	2024
	RMB'000	*RMB'000*
PRC	**893,779**	798,327
United States	**2,681,749**	2,749,331
Germany	**65,004**	50,850
Other Asian countries	**73,624**	15
	3,714,156	3,598,523

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, listing expense, directors' emoluments, share of results of investments accounted for using the equity method, other gains and losses, other income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset, segment liability and other segment information is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment.

5. INCOME TAX EXPENSE

	2025	2024
	RMB'000	RMB'000
Current tax:		
Hong Kong	**10,924**	8,828
PRC Enterprise Income Tax	**3,903**	7,956
United States	**14,979**	12,797
Under (over) provision in prior years:		
Hong Kong	**125**	6,076
PRC Enterprise Income Tax	**(1,573)**	599
United States	**1**	(14,421)
Deferred tax	**8,395**	87,612
Income tax expense	**36,754**	109,447

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective/enacted but not effective. However, the Group's estimated effective tax rates of all jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group is not liable to top-up tax under the Pillar Two Rules.

6. DIVIDENDS

During the year ended 31 December 2025, a special dividend of RMB0.25 per ordinary share was declared and paid to owners of the Company. The aggregate amount of the special dividend declared and paid in the year ended 31 December 2025 amounted to RMB103,801,000 (2024: nil).

Subsequent to the end of the reporting period, no dividend has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2025	2024
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for basic and diluted earnings per share	**161,139**	504,299

Number of shares

	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (Note)	**412,108,620**	389,733,994

Note: A total of 1,554,000 domestic shares with a written put option requiring the Company to repurchase these shares unconditionally and repurchased during the year ended 31 December 2024 are not included from the total number of shares in issue for the purpose of calculating basic earnings per share.

During the year ended 31 December 2025, the Company repurchased 4,219,200 shares as shares held for share award and trust scheme and they were not included from the total number of shares in issue for the purpose of calculating basic earnings per share.

In respect of the written put option requiring the Company to repurchase the shares of the Company, it did not have significant dilutive effect on earnings per share calculation during the year ended 31 December 2024.

8. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables from third parties	**1,611,740**	1,311,157
Less: Allowance for credit losses	**(51,550)**	(41,761)
	1,560,190	1,269,396

At 1 January 2024, trade receivables from contracts with customers of the Group amounted to RMB807,469,000.

The Group grants the credit period ranging from 10 days to 90 days to its trade customers.

Aging of trade receivables, is prepared based on the date of transfer of goods or issue of invoice, which approximated the respective revenue recognition dates, as follows:

	2025	2024
	RMB'000	*RMB'000*
0 – 90 days	**1,409,084**	1,187,111
91 – 180 days	**97,859**	43,820
181 – 365 days	**19,719**	11,174
Over 365 days	**33,528**	27,291
	1,560,190	1,269,396

9. TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables from		
– third parties	**1,572,026**	1,396,100
– associates	**9,640**	2,348
	1,581,666	1,398,448
Bills payable	**116,508**	39,996
	1,698,174	1,438,444
Accrued employees' benefits	**65,030**	52,355
Other tax payables	**9,838**	5,413
Deposits	**13,779**	10,995
Accrued issue cost/listing expenses	**–**	8,116
Others	**67,999**	8,418
	1,854,820	1,523,741

The following is the aging analysis of trade and bills payables based on the invoice date at the end of the reporting period.

	2025 *RMB'000*	2024 *RMB'000*
0 – 90 days	**1,646,626**	1,338,704
91 – 180 days	**36,871**	84,059
181 – 365 days	**10,179**	6,580
Over 365 days	**4,498**	9,101
	1,698,174	1,438,444

10. BANK BORROWINGS

	2025 *RMB'000*	2024 *RMB'000*
Bank loans		
– secured	**772,930**	377,649
– unsecured	**1,022,004**	596,151
	1,794,934	973,800

	2025 *RMB'000*	2024 *RMB'000*
The carrying amounts of the bank borrowings are repayable*:		
Within one year	**1,555,416**	716,626
Within a year of more than one year but not exceeding two years	**239,518**	17,852
Within a year of more than two years but not exceeding five years	**–**	239,322
	1,794,934	973,800
Less: Amounts due within one year shown under current liabilities	**(1,555,416)**	(716,626)
Amounts shown under non-current liabilities	**239,518**	257,174

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The exposure of the Group's borrowings are as follows:

	2025	2024
	RMB'000	*RMB'000*
Fixed-rate borrowings	**1,207,660**	580,409
Variable-rate borrowings	**587,274**	393,391
	1,794,934	973,800

At 31 December 2025, the borrowings amounting to approximately RMB350,487,000 (2024: RMB100,311,000) were secured by a pledge of time deposit of RMB393,612,800 (2024: RMB113,577,000).

At 31 December 2025, the borrowings amounting to approximately RMB422,443,000 (2024: RMB277,338,000) were jointly guaranteed by Aukey International Limited and Shenzhen Jiajiu Logistics Co., Ltd., and secured by a leasehold land and building of the Group with carrying amount of RMB493,233,000 (2024: RMB527,399,000).

At 31 December 2025, the borrowings amounting to approximately RMB 897,273,000 (2024: RMB95,321,000) were guaranteed by the Company.

At 31 December 2025, the borrowings amounting to approximately RMB45,090,000 (2024 RMB397,593,000) were guaranteed by Aukey International Limited and the Company.

At 31 December 2025, the borrowings amounting to approximately RMB40,000,000 (2024: RMB45,038,000) were jointly guaranteed by Aukey International Limited and Shenzhen Allsight E-business Co., Ltd.

At 31 December 2025, the borrowings amounting to approximately RMB30,568,000 (2024: nil) were jointly guaranteed by the Company and Shenzhen Western Post Intelligent Warehouse Technology Co., Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY ENVIRONMENT AND TREND

E-commerce, as one of the trade activities, digitalizes the whole process of trade, breaking away from the time and space constraints in conventional offline trade and connecting sellers and consumers around the world. According to data released at the General Administration of Customs of the People's Republic of China's press conference on full-year import and export performance for 2025, the export volume in the PRC increased 6.1% to reach RMB26.99 trillion in 2025, maintaining steady growth. Since the COVID-19 outbreak, online shopping demand has surged in developed regions including the United States and Europe, driving the expansion of the global B2C e-commerce market, which is expected to achieve a GMV of USD7.7125 trillion by 2028. Consumer reliance on online shopping platforms will continue to grow with the steadily expanding scope of digital marketplace.

During the Reporting Period, with continuous deepening in global tariff policy adjustments, although the economic and trade relationship between the PRC and the United States saw a temporary easing following multiple rounds of consultations between their economic and trade teams, the complexity and uncertainty of the international trade environment remain existence.

BUSINESS REVIEW

Looking back to the Reporting Period, the Company has been committed to its mission of "Empowering Connections, Inspiring a Better World", sticking to its core furniture and home furnishings categories. By relying on the operation capability under a multi-brand system, the digital support capability of the whole business chain, the supply chain management capability, the sophisticated warehousing and logistics system as well as the flexible organizational structure, the Company has effectively penetrated into the "home and life" scenarios, elaborately creating a series of branded products, such as furniture and home furnishings as well as home appliances, and electric tools, with beautiful design, excellent quality and advanced functions and engaging in cross-border B2C business principally through third-party online platforms such as Amazon, Wayfair and Walmart.

Meanwhile, we provided efficient logistics solutions globally under the overseas warehouse model to customers, primarily sellers on e-commerce platforms, through WESTERN POST (SG) PTE. LTD. and its subsidiaries ("**Western Post Group**"). Leveraging our industry expertise, we have formulated a warehousing network with tailored design based on proximity to end-consumers and delivery capabilities, as a strategic move to improve local logistics services to efficiently deliver products at low cost. During the Reporting Period, we initiated and expanded our self-delivery operations, establishing fulfillment centers in key cities such as Los Angeles and Chicago. This has enabled us to build an initial self-delivery network covering certain regions in the United States. The following table sets forth our revenue by business line for the years indicated:

	Year ended 31 December			
	2025		2024	
	RMB'000	**% of Revenue**	*RMB'000*	% of Revenue
Sales of goods	**9,581,841**	**69.9**	8,268,192	77.2
Logistics solutions	**4,116,897**	**30.1**	2,441,456	22.8
Total	**13,698,738**	**100.0**	10,709,648	100.0

Main Products

During the Reporting Period, we continued to actively expand our offering of furniture, home furnishings and home appliances and insisted on strengthening and consolidating our supply chain and logistics capabilities while exploring additional subcategories within the furniture sector. We strategically focused more on furniture, home furnishings and home appliances. Our offering of furniture and home furnishings primarily consisted of beds, bookcases, dressers, chests of drawers, vanity tables and vanity benches, food cabinets, sideboards, sofas and outdoor furniture featuring a wide range of styles, including classic, contemporary, industrial and minimalist; and our offering of home appliances primarily consisted of refrigerators and juicers.

In addition to furniture, home furnishings and home appliances, our product portfolio also included:

- *Electric Tools.* During the Reporting Period, our offering of electric tools primarily consists of power screwdrivers, air pumps and car vacuums, combining high-tech features and practicable designs.

- *Others.* In addition, during the Reporting Period, our offering of other products primarily consists of consumer electronics and maternity and child products.

Revenue by Region

	2025	**2024**	**Year-on-year change**
	RMB'000	*RMB'000*	
Revenue from sales of goods	**9,581,841**	**8,268,192**	**15.9%**
U.S. and other North American countries	8,256,987	7,320,409	12.8%
Europe	1,120,187	747,997	49.8%
Other countries	204,667	199,786	2.4%
Revenue from logistic service	**4,116,897**	**2,441,456**	**68.6%**
Total	**13,698,738**	**10,709,648**	**27.9%**

During the Reporting Period, the Company achieved steady revenue growth. Benefiting from the continued deepening of localized operations and improvements in cross-border logistics timeline, revenue in the U.S. market grew steadily by 12.8%, realizing synergistic growth in both sales volume and profitability.

Meanwhile, the Company accelerated its expansion into non-US markets, prioritizing them as strategic growth areas and continuously increasing resource allocation for market research and localized channel development. Through customized products and localized marketing strategies, the Company steadily increased its market share in key regions such as Europe and Southeast Asia. Its diversified market footprint gradually took shape, effectively reducing reliance on any single market and laying a solid foundation for long-term sustainable development. During the Reporting Period, revenue from Europe grew by 49.8% year-on-year, demonstrating initial success in non-U.S. market expansion.

Revenue by Channels

	2025	2024	
	RMB'000	*RMB'000*	**Year-on-year change**
Revenue from sales of goods	**9,581,841**	**8,268,192**	**15.9%**
Amazon	5,806,583	5,094,229	14.0%
Wayfair	1,103,123	916,773	20.3%
Walmart	920,758	976,602	-5.7%
Other third-party platforms	856,355	423,236	102.3%
Offline	895,022	857,352	4.4%
Revenue from logistic service	**4,116,897**	**2,441,456**	**68.6%**
Total	**13,698,738**	**10,709,648**	**27.9%**

We seized opportunities presented by emerging platforms like TikTok while deepening strategic partnerships with mainstream platforms including Amazon, Wayfair, and TikTok. Through resource sharing and operational synergy, we collaborated with core platforms to build robust channel moats. This approach not only strengthened our ecosystem relationships but also delivered mutually beneficial outcomes and accelerated business breakthroughs. During the Reporting Period, the Company's revenue from other third-party platforms achieved robust growth of 102.3%, primarily due to increased sales on platforms such as TikTok and TEMU.

Supply Chain Management

Faced with complex changes in the global trade environment, the Company has consistently reshaped its supply chain layout from a global perspective. Dual-driven by "overseas supplier layout" and "expanding the overseas warehouse network," the Company continued to enhance its operational efficiency and risk resilience.

Overseas supplier layout has yielded initial results to effectively hedge tariff risks. During the Reporting Period, the proportion of overseas procurement increased steadily and has become an important pivot for the Company to address international trade policy risks. Relying on the synergistic model of "external cooperation", we have accelerated the migration of the supply chain to advantageous regions. By vigorously expanding our overseas supplier network, we have further reduced the impact of changes in the external tariff environment while enhancing delivery efficiency and cost control capabilities.

Global overseas warehouse network continues expansion, driving rapid growth in revenue from logistics solutions. Leveraging the technological empowerment and global layout of the Western Post Group, the Company has simultaneously enhanced the coverage and service capabilities of its overseas warehouse network. During the Reporting Period, the additional overseas warehouse area reached 1.264 million square feet, propelling revenue from logistics solutions to grow 68.6% year-on-year. Through continuous upgrades to our digital systems, we attained intelligent coordination across the entire supply chain from consolidation and international trunk lines to overseas distribution, local warehousing, and last-mile delivery. The logistics timeliness has improved successfully for customers with lower operational costs, further solidifying our competitive position in the cross-border supply chain sector.

Product capability construction is deepened to fortify market competitive barriers. In response to dual challenges of policy uncertainty and homogeneous competition, the R&D investment of Company has continued to increase for reinforcement of its products' unique advantages in performance and quality. During the Reporting Period, the Company filed 205 new patent applications and secured 18 international design awards (including 13 Red Dot Awards and 5 iF Design Awards). Concurrently, brand premium capability has kept rising by the way of brand building, mid-to-high-end product line layout, and user experience upgrades, gaining greater initiative in complex market conditions.

BUSINESS PLANNING

Industry Development Opportunities

In recent years, the global furniture and home furnishing industry has undergone profound transformation, with emerging online channels as the core contributor reshaping the market landscape. As the advantages of e-commerce platforms increasingly are standing out in price transparency, shopping convenience, and product diversity, consumer behavior is accelerating its shift from offline to online channels. In addition, influenced by uncertainties in the global trade environment and tariff policies, the cross-border e-commerce landscape is evolving from reliance on the single market toward diversification into emerging markets, offering broader growth opportunities for industry participants.

Focusing on the furniture and home furnishing category, the growth potential remains largely untapped for the online market. Benefiting from both continuously advancing consumer demand and the digital wave, online penetration has steadily enlarged. According to the Sullivan report, the GMV of furniture and home furnishing category in global market is expected to reach USD779.4 billion by 2028. Updating logistics infrastructure and shifts in consumer purchasing habits will inject robust momentum into sustained development in the field, bringing structural opportunities for enterprises with global presence capabilities.

Corporate Development Strategy

Amid the complex and volatile global economic landscape, particularly against the backdrop of ongoing adjustments to U.S.-China tariff policies, the Company formulated multi-dimensional development strategies based on long-term growth, encompassing supply chain optimization, brand building, logistics enhancement, and digital empowerment to build up our risk resilience and market competitiveness.

- ***Supply Chain Management: Building a Flexible and Efficient Global Supply Network***

  To proactively respond to cost pressures and operational uncertainties brought about by changes in the economic environment, we are accelerating the deep optimization of our supply chain with a global perspective. By accurately analysing regional policies, industrial support, and logistics costs, we are actively promoting the global supply chain layout. Meanwhile, relying on the localized procurement system, long-term strategic partnerships have been established with high-quality suppliers possessing advantages in raw material quality, production capacity stability, and cost control. The reconstruction of this supply chain model has not only significantly reduced supply chain risks, but also leveraged the effects of mature industrial clusters to cut costs in intermediate links, thereby effectively safeguarding profits amidst policy fluctuations and ensuring the resilience and efficiency of the supply chain.

- ***Brand Building: Erecting High-Value Brand Barriers by Core Competitiveness***

  With market environmental shifts caused by policy fluctuations and increasingly fierce homogeneous competition, we will continue to deepen our brand strategies to set up our brand as a core barrier against market risks. In addition to boosting R&D investment centering on functional product innovation, we will enhance product quality, performance, and uniqueness, and consolidate and strengthen core competitiveness of our products. We will also systematically elevate brand value aligned with our positioning. Through precise market targeting, mid-to-high-end product design, and premium user experiences, we will continuously develop the premium pricing power of our brand and products, striving for steady elevation of our brand's industrial standing and market influence with intense competition.

- ***Logistics Management: Creating the Logistics System Aligned with Efficient Service and Business Growth***

  As the critical step connecting production and consumption, logistics management will be enhanced through three material areas: efficiency bettering, infrastructure upgrading, and service refinement, for the purpose of creating the logistics system highly aligned with business growth. **In terms of efficiency optimization**, intelligent logistics management systems will enable data-driven monitoring and scheduling across warehousing, transportation, and distribution, hereby continuously improving core metrics including inventory turnover rates and delivery timeliness when reducing operational costs. **In terms of infrastructure construction**, we will increase investment in logistics nodes including overseas warehouses and regional distribution centers. Based on market demand distribution, optimized warehouse network layout will help lift storage capacity and cargo turnover efficiency as transportation fleets and delivery networks will be advanced to ensure quickness and safety for delivery of goods apart from providing robust logistical support for sustained future business growth. **In terms of customer service**, establishing a more refined and responsive after-sales service system will reach rapid matching and resolution of consumer needs and issues by creating dedicated customer service teams with digital tools. Our services include offering installation guidance and returns/exchanges in a personalized and attentive way, seeking further enhancement of customer satisfaction and loyalty to raise customer retention.

- ***AI Empowerment: Facilitating Competitive Leap Through Full-Process Intelligent Upgrades***

  We are actively advancing the deep integration of AI technology across various business processes for full-process intelligent upgrades from front-end market insights to back-end operational management, targeting higher synergy efficiency across processes with lower operational costs. Leveraging the powerful multimodal data analysis capabilities of AI technology, we conduct in-depth mining for market dynamics and consumer behavior data, enabling precise forecasting of market demand trends and analysis of different consumer groups' preferences and purchasing habits. Therefore, we are able to accurately predict market needs, dissect consumer behavior, and deliver personalized product recommendations, which are conducive to effectively enhancing market competitiveness of the Company. Besides, AI constructs dynamic predictive models by deeply mining multidimensional information, including backend operational transaction data, real-time order fluctuations, and market demand trends, to realize intelligent automation in procurement and inventory management procedures.

FINANCIAL REVIEW

For the year ended 31 December 2024 and the year ended 31 December 2025, our revenue was RMB10,709.6 million and RMB13,698.7 million, respectively. Our profit for the year was RMB521.2 million for the year ended 31 December 2024, and RMB152.6 million for the year ended 31 December 2025.

Revenue

Our revenue increased by 27.9% from RMB10,709.6 million for the year ended 31 December 2024 to RMB13,698.7 million for the year ended 31 December 2025, primarily because the sales of our goods continued to expand and we increased the provision of logistics solutions.

By Type of Goods or Services

The following table sets forth a breakdown of our revenue by type of goods or services in absolute amount and as a percentage of revenue for the periods indicated:

	Year ended 31 December			
	2025		**2024**	
	RMB'000	***% of Revenue***	*RMB'000*	*% of Revenue*
Type of goods or services				
Sales of goods	**9,581,841**	**69.9**	8,268,192	77.2
Furniture, home furnishings and home appliances	**7,610,977**	**55.6**	6,740,016	63.0
Electric tools	**1,061,689**	**7.7**	741,733	6.9
Other products *(Note)*	**909,175**	**6.6**	786,443	7.3
Logistics solutions	**4,116,897**	**30.1**	2,441,456	22.8
Total	**13,698,738**	**100**	10,709,648	100

Note: Other products mainly include consumer electronics and maternity and child products.

Sales of goods

Furniture, home furnishings and home appliances. Our revenue from sales of furniture, home furnishings and home appliances increased by 12.9% from RMB6,740.0 million for the year ended 31 December 2024 to RMB7,611.0 million for the year ended 31 December 2025, primarily because of the expansion of our furniture and home furnishings as well as home appliances product offerings and increased sales orders of our furniture and home furnishings as well as home appliances.

Electric tools. Our revenue from sales of electric tools significantly increased by 43.1% from RMB741.7 million for the year ended 31 December 2024 to RMB1,061.7 million for the year ended 31 December 2025, primarily benefiting from the enhancement of the brand influence of electric tools, our sales volume on the Amazon platform further expanded.

Other products. Our revenue from sales of other products increased by 15.6% from RMB786.4 million for the year ended 31 December 2024 to RMB909.2 million for the year ended 31 December 2025, primarily due to the increase in sales orders for our other products.

Logistics solutions

Our revenue from logistics solutions increased by 68.6% from RMB2,441.5 million for the year ended 31 December 2024 to RMB4,116.9 million for the year ended 31 December 2025, primarily because we expanded our customer base and fulfilled more orders, and we expanded our self-delivery business during the Reporting Period.

Cost of sales

Our cost of sales consists of the cost of sales for sales of goods and the cost of sales for logistics solutions. Our cost of sales for sales of goods primarily consists of (i) procurement costs paid for OEM manufacturing services; (ii) logistics costs, representing the cost to acquire logistics services from third parties to sell our products as well as the cost of using the logistics solutions provided by Western Post Group.

Our cost of sales increased by 36.1% from RMB7,412.5 million for the year ended 31 December 2024 to RMB10,090.6 million for the year ended 31 December 2025, primarily due to the increase in ocean freight initial costs for the sales of goods, as well as a significant increase in operating costs regarding the logistics solutions business due to warehouse expansion.

Gross profit and gross profit margin

Our gross profit increased from RMB3,297.1 million for the year ended 31 December 2024 to RMB3,608.2 million for the year ended 31 December 2025, representing an increase of 9.4%. Our gross profit margin decreased from 30.8% for the year ended 31 December 2024 to 26.3% for the year ended 31 December 2025.

Our gross profit from sales of goods increased by 13.1% from RMB2,994.9 million in 2024 to RMB3,386.1 million in 2025. Our gross profit margin of sales of goods decreased from 36.2% for the year ended 31 December 2024 to 35.3% for the year ended 31 December 2025, primarily because of the increase in ocean freight initial costs.

Our gross profit from logistics solutions decreased by 26.5% from RMB302.2 million in 2024 to RMB222.0 million in 2025. Our gross profit margin of logistics solutions decreased from 12.4% for the year ended 31 December 2024 to 5.4% for the year ended 31 December 2025, primarily because of the combined effect of a significant increase in cost of sales resulting from the amortisation of right-of-use assets, and high delivery operation and transit sorting costs during the initial stage of the self-delivery operations due to insufficient orders and low order density.

Other gains and losses

Our other gains and losses significantly decreased from RMB67.7 million for the year ended 31 December 2024 to RMB(49.6) million for the year ended 31 December 2025, primarily due to the foreign exchange loss for the year as a result of fluctuation in foreign exchange rates.

Impairment losses under expected credit loss model ("ECL"), net of reversal

Our impairment losses under ECL, net of reversal increased by 149.4% from RMB8.3 million for the year ended 31 December 2024 to RMB20.7 million for the year ended 31 December 2025, primarily because of the increase in loss on trade receivables and other payables resulting from bad debts.

Selling expenses

Our selling expenses increased by 21.3% from RMB2,071.8 million for the year ended 31 December 2024 to RMB2,513.1 million for the year ended 31 December 2025. The increase in selling expenses was generally in line with the growth in revenue, our selling expenses are mainly for business promotion fees, platform transaction fees, employee expenses, and overseas warehouse leasing expenses.

Administrative expenses

Our administrative expenses increased by 14.3% from RMB390.3 million for the year ended 31 December 2024 to RMB446.0 million for the year ended 31 December 2025, which are generally in line with our revenue growth. Our administrative expenses are mainly for employee expenses.

Research and development expenses

Our research and development expenses increased by 40.1% from RMB130.0 million for the year ended 31 December 2024 to RMB182.1 million for the year ended 31 December 2025, primarily because of the increases in employee expenses resulting from an increase in the number of our research and development employees.

Other expenses

Our other expenses increased by 19.2% from RMB15.9 million for the year ended 31 December 2024 to RMB19.0 million for the year ended 31 December 2025, primarily due to an increase in cancelation fees paid to suppliers resulting from the cancelation of historical purchase orders.

Finance costs

Our finance costs increased by 115.9% from RMB122.5 million for the year ended 31 December 2024 to RMB264.4 million for the year ended 31 December 2025, primarily due to a simultaneous increase in finance costs of the relevant lease liabilities because of Western Post Group's expanded operations.

Income tax expenses

Our income tax expenses decreased by 66.4% from RMB109.4 million for the year ended 31 December 2024 to RMB36.8 million for the year ended 31 December 2025 primarily due to the decrease in profit before tax.

Profit for the year

Due to the above factors combined, our net profit for the year decreased from RMB521.2 million for the year ended 31 December 2024 to RMB152.6 million for the year ended 31 December 2025.

Right of use assets

Our right-of-use assets decreased from RMB2,769.8 million as of 31 December 2024 to RMB2,693.0 million as of 31 December 2025, due to the amortisation of right-of-use assets.

Inventories

Our inventory increased from RMB1,445.4 million as of 31 December 2024 to RMB1,627.4 million as of 31 December 2025, primarily because of an increase in finished goods under the advance stocking model to meet the anticipated sales demand for our products.

Trade receivables

Our trade receivables represent the amounts due from our customers for the products sold or services performed in the ordinary course of our business. Our trade receivables net of allowance increased from RMB1,269.4 million as of 31 December 2024 to RMB1,560.2 million as of 31 December 2025, primarily attributable to an increase in trade receivables in line with our growth in our logistics solutions and business through sales on third-party platforms.

Trade and other payables

Our trade and other payables increased from RMB1,523.7 million for the year ended 31 December 2024 to RMB1,854.8 million for the year ended 31 December 2025, primarily due to an increase in trade payables to suppliers in line with our business growth.

Liquidity and capital resources

As of 31 December 2025, we had cash and cash equivalents of RMB1,613.1 million. Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, bank borrowings and cash flows from operating activities, we have sufficient working capital for our present requirements.

Cash Flow

The following table sets forth our cash flows for the periods indicated:

	Year ended 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
Net cash from operating activities	**630,876**	535,472
Net cash used in investing activities	**(611,800)**	(381,693)
Net cash from financing activities	**226,897**	397,143
Net increase in cash and cash equivalents	**245,973**	550,922
Cash and cash equivalents at the end of the year	**1,613,126**	1,363,752

Net cash from operating activities

For the year ended 31 December 2025, our net cash from operating activities was RMB630.9 million. In 2024, our net cash from operating activities was RMB535.5 million.

Net cash used in investing activities

For the year ended 31 December 2025, our net cash used in investing activities was RMB611.8 million, which was primarily attributable to cash outflow on purchases of property, plant and equipment of RMB252.7 million, net cash outflow on acquisition and disposal of financial assets at fair value through profit or loss of RMB188.1 million, and net cash outflow pledged bank deposits of RMB249.2 million.

For the year ended 31 December 2024, our net cash used in investing activities was RMB381.7 million, which was primarily attributable to cash outflow on purchases of property, plant and equipment of RMB157.8 million, net cash outflow on acquisition of subsidiaries of RMB153.8 million, and net cash outflow on pledged bank deposits of RMB86.0 million.

Net cash from financing activities

For the year ended 31 December 2025, our net cash from financing activities was RMB226.9 million, which was primarily attributable to the combined effect of net cash inflow of RMB812.0 million from new bank borrowings and repayment of bank borrowings, bank interest payment of RMB30.5 million, payment of finance costs of RMB233.9 million for the Group's right of use assets, the rental expenditure of RMB179.9 million and the payment of dividends of RMB103.8 million.

For the year ended 31 December 2024, our net cash from financing activities was RMB397.1 million, which was primarily attributable to the proceeds from the issuance of shares of RMB428.6 million and the payment of the distribution costs of RMB19.8 million.

Contingent liabilities

As of 31 December 2025, we did not have any material contingent liabilities.

Capital commitments

As of 31 December 2025, the Group had capital commitments of RMB147.5 million that were contracted but not provided for, which was mainly for the future investment in property, plant and equipment.

Significant investments, material acquisitions and disposals

As of the end of the Reporting Period, the Group did not have any significant investments as required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Listing Rules. During the Reporting Period, the Group had no material acquisitions or disposals.

Future plans for material investments or capital assets

For the year ended 31 December 2025, save as disclosed in the section headed "Use of Proceeds from the Global Offering" in this announcement, the Group did not have any future plans for material investments or capital assets.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Foreign exchange risk is the risk of loss resulting from movements in foreign currency exchange rates. Most of our sales of products are denominated and settled in U.S. dollars and Euros, with the remaining sales denominated and settled in currencies of the geographical markets to which we sell our products. We mainly pay our suppliers that are located in the PRC in Renminbi. The foreign exchange risk we are facing mainly comes from movements in USD/RMB and EUR/RMB.

For the year ended 31 December 2025, we had net foreign exchange losses of RMB42.0 million in 2025 due to the foreign exchange rate fluctuations in connection with our outstanding trade and other receivables as well as trade and other payables denominated in foreign currencies. Additionally, the losses were also due to the exchange rate fluctuations when converting funds held in our foreign currency bank accounts into RMB.

Pledge of assets

Our pledged/restricted bank deposits increased from RMB250.9 million as of 31 December 2024 to RMB500.1 million as of 31 December 2025, in line with an increase in our bank loans.

We have pledged owned properties with carrying amount of RMB493.2 million and RMB527.4 million to secure bank borrowings of the Group as at 31 December 2025 and 31 December 2024, respectively.

Save as disclosed above, the Group does not have any other pledged assets as of 31 December 2025.

Gearing ratio

The Group's gearing ratio equals total interest-bearing debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity, which increased from 1.3 as of 31 December 2024 to 1.6 as of 31 December 2025, primarily due to an increase in interest-bearing bank borrowings and lease liabilities.

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As of 31 December 2025, we had a total of 3,051 employees, the majority of whom are based in Shenzhen, China. The following table sets out the number of our employees by function as of 31 December 2025:

Function	Number of Employees	% of Total
Product development, operation, sales and marketing	1,615	52.9
Administrative/Function	562	18.4
Procurement and supply chain management	449	14.7
Warehousing/Production	425	13.9
Total	**3,051**	**100.0**

Our business growth and development hinge on our capacity to attract, retain and motivate competent employees. During the Reporting Period, we recruited our staff through various means such as on-campus recruitment, job fairs, recruitment agencies and both internal and external referrals. We are devoted to offering fair and equal opportunities in all our employment practices and have implemented relevant policies and procedures. As part of our retention strategy, we provide competitive salaries, extensive insurance packages and merit-based incentives typically based on individual and overall business performance.

In terms of training, we conduct orientation programs for new employees to familiarize them with our company culture, business and industry, with the aim of enhancing their understanding of our Company and facilitating their work performance. We also regularly offer bespoke in-house training to our existing employees to enhance their technical skills or arrange for them to attend third-party training sessions. Moreover, we offer management skills training to certain employees to assist them in transitioning into managerial roles.

For the year ended 31 December 2025, total employee compensation and benefit expenses amounted to RMB726.2 million.

Use of Proceeds from the Global Offering

The Company was listed on the Main Board of the Stock Exchange on 8 November 2024, issuing 29,894,700 new shares at an offer price of HK$15.60 per share. After deducting underwriting commissions, fees and other expenses related to the Global Offering, the net proceeds from the Listing were approximately HK$387.5 million. The proceeds from the Listing will be utilized in accordance with the plan disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The proceeds raised by the Company will be utilized in three years after the Listing, with 30% to be utilized in the first year, 50% to be utilized in the second year after the Listing and 20% to be utilized in the third year after the Listing, respectively.

In accordance with to the announcement dated 30 May 2025 and circular dated 6 June 2025 of the Company, in view of the significant changes in the tariff policy, in order to proactively respond to the changes in the operating environment brought about by the policy changes and to safeguard the steady progress of the Company's established strategic objectives, the Company has synchronized the adjustments to the period for the use of the proceeds, which is scheduled to be systematically utilized by 30 June 2026 in accordance with the adjusted use of the proceeds, and to plan for the use of the proceeds. The details of the reasons for and benefits of the changes in the use of net proceeds are set out in the circular dated 6 June 2025 of the Company. The changes became effective upon approval at the annual general meeting on 30 June 2025. Following the changes above, the utilization plan of the net proceeds shall be as below:

Project	**Percentage**	**Proceeds used for related purposes** *(HK$ million)*	**Utilized proceeds during the Reporting Period** *(HK$ million)*	**Unutilized proceeds at the end of the Reporting Period** *(HK$ million)*	**Expected timetable for full utilization of unutilized proceeds**
Business expansion	80.0%	310.0	136.0	174.0	As of 30 June 2026
Strengthening digitalization and further improving the information management systems	5.0%	19.4	0.0	19.4	As of 30 June 2026
Working capital and general corporate uses	15.0%	58.1	58.1	0.0	–
Total	**100%**	**387.5**	**194.1**	**193.4**	

Notes:

(1) *We have placed the unutilized net proceeds in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. We will comply with the PRC laws in relation to foreign exchange registration and remittance of the proceeds.*

(2) *Certain amounts and percentages in the table have been rounded. Accordingly, the arithmetic sum shown in certain tables may not be the total of the figures preceding them. Any discrepancies between the arithmetic sum shown and the total of the amounts listed are due to rounding.*

Dividends

At the second extraordinary general meeting for the year 2025 held on 7 February 2025 by the Company, the proposal regarding the proposed Special Dividend was approved by the Shareholders of the Company. Pursuant to the Company's dividend policy, the Company would distribute a cash dividend of RMB0.25 (tax inclusive) per Share for the Special Dividend to all Shareholders based on the total share capital of 415,205,916 Shares after the Listing and issuance of its H Shares, using its own funds (excluding the proceeds from the Listing) and subsequently a total amount of approximately RMB103,801,000 was paid out. Of which Shareholders holding the Company's H Shares pursuant to the H Share full circulation carried out by the Company upon the initial public offering of its overseas-listed foreign shares (H Shares) shall be paid in Renminbi; other H Shareholders shall be paid in Hong Kong dollars, the exchange rate of Hong Kong dollars will be calculated based on the benchmark exchange rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on the date of the extraordinary general meeting at which the proposal for the Special Dividend is considered and approved, which is RMB1.00=HK$1.08596. Accordingly, a cash dividend of HK$0.27149 (inclusive of tax) per Share was paid; holders of Domestic Unlisted Shares shall be paid in Renminbi. Such Special Dividend was paid in cash on Monday, 7 April 2025 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 18 February 2025.

The Board of the Company does not recommend the payment of a final dividend for the year ended 31 December 2025.

Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

Code Provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lu Haizhuan is both the chairman of the Board and the chief executive officer of the Company. Notwithstanding the deviation from Code Provision C.2.1 of the CG Code, given Mr. Lu Haizhuan's extensive knowledge and experience of the Group's business, the Board considers that vesting the roles of both chairman of the Board and chief executive officer of the Company in the same person brings the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and efficiently. The Board will nevertheless continue to review the structure from time to time and consider the appropriate move to take when appropriate.

Except for the deviation from Code Provision C.2.1 mentioned above, the Board is of the view that during the year ended 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2025.

No incident of non-compliance of the Model Code by the employees was noted by the Company during the year ended 31 December 2025.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)). As of 31 December 2025, the Company did not hold any treasury shares.

The Implementation of "Full Circulation" of the Domestic Unlisted Shares

On 13 May 2025, the Company has filed the conversion of 187,093,658 domestic unlisted shares into H shares on a one-for-one basis with the China Securities Regulatory Commission (the "**CSRC**") and has obtained the Notification of Filing on the "Full Circulation" of Domestic Unlisted Shares of AuGroup (SHENZHEN) Cross-Border Business Co., Ltd. from the CSRC. The Hong Kong Stock Exchange has granted the approval for the listing of and permission to deal in 187,093,658 H shares of the Company converted from 187,093,658 domestic unlisted shares on 20 May 2025. A total of 187,093,658 domestic unlisted shares were converted into H shares on 22 May 2025 and such converted H shares have commenced its dealing on the Hong Kong Stock Exchange from 9:00 a.m. on 23 May 2025.

For details, please refer to the announcements of the Company dated 13 May 2025, 20 May 2025, and 22 May 2025.

Subsequent Events

Save as disclosed in this announcement, no significant events have occurred for the Group from the end of the Reporting Period to the date of this announcement.

Audit Committee and Review of Annual Results

The Company established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the provisions of the CG Code.

The Audit Committee consists of three members, namely Ms. Meng Rongfang, Mr. Chen Xiaohuan and Ms. Gao Yu. All Audit Committee members are independent non-executive Directors. Ms. Meng Rongfang is the chairperson of the Audit Committee. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code and the relevant PRC laws.

The Audit Committee, together with the Board and the auditors of the Company, has reviewed the accounting standards and practices adopted by the Group and the annual results of the Group for the year ended 31 December 2025.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.augroup.com). The annual report of the Company for the year ended 31 December 2025 will be despatched to shareholders who require a printed copy in due course and will be available on the websites of the Stock Exchange and the Company as mentioned above.

DEFINITIONS

”Articles of Association”	the articles of association of the Company, effective as of the date of consideration and approval by the annual general meeting held on 30 June 2025, as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors of our Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this annual results announcement, Hong Kong, Macau and Taiwan
“Company,” “our Company” or “the Company”	Augroup (SHENZHEN) Cross-Border Business Co., Ltd. (傲基(深圳)跨境商務股份有限公司), formerly known as AuGroup Technology Co., Ltd. (傲基科技股份有限公司), Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務股份有限公司) and Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務有限公司), a limited liability company established in the PRC on September 13, 2010, which was converted into a joint stock limited company in the PRC on 25 May 2015
“Director(s)”	director(s) of the Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “we” or “us”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Hong Kong Stock Exchange
“HK$” or “HK dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

"Listing"	the listing of our H Shares on the Main Board of the Hong Kong Stock Exchange
"Reporting Period"	for the year ended 31 December 2025
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States

By order of the Board
AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.
Mr. Lu Haizhuan
Chairperson of the Board, Executive Director and Chief Executive Officer

Shenzhen, PRC, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Lu Haizhuan, Mr. Ze Kuaiyue, Ms. Zhuang Liyan and Mr. Yu Fenglu as executive directors; Ms. Zhang Li as a non-executive director; and Ms. Meng Rongfang, Mr. Chen Xiaohuan, Ms. Gao Yu and Mr. Liu Yong as independent non-executive directors.