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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIANGSU SLENDER WEST LAKE CULTURE AND TOURISM CO., LTD. AND CHINA EVERBRIGHT CAPITAL LIMITED

Introduction

We report on the historical financial information of Jiangsu Slender West Lake Culture and Tourism Co., Ltd. (the “**Company**”) and its subsidiary (together, the “**Group**”) set out on pages I-4 to I-75, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-75 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated October 14, 2026 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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



Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information.



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

Adjustments

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

Dividends

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Ernst & Young

Certified Public Accountants

Hong Kong

October 14, 2026



I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “**Underlying Financial Statements**”).

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
		<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> (unaudited)	<u>RMB'000</u>
REVENUE	5	109,096	111,428	141,196	84,542	83,227
Cost of sales		<u>(44,679)</u>	<u>(50,814)</u>	<u>(59,006)</u>	<u>(30,962)</u>	<u>(30,083)</u>
Gross profit		<u>64,417</u>	<u>60,614</u>	<u>82,190</u>	<u>53,580</u>	<u>53,144</u>
Other income and gains	5	4,573	4,966	3,501	2,160	2,469
Selling and distribution expenses		(1,652)	(1,421)	(2,816)	(759)	(1,814)
Administrative expenses		(4,462)	(4,661)	(9,185)	(2,450)	(3,870)
Impairment reversal/(losses) on financial assets, net		11	3	9	(96)	(107)
Other expenses		(530)	(800)	(3,546)	(307)	(379)
Finance costs	7	<u>(949)</u>	<u>(881)</u>	<u>(839)</u>	<u>(415)</u>	<u>(392)</u>
PROFIT BEFORE TAX	6	61,408	57,820	69,314	51,713	49,051
Income tax expense	10	<u>(14,978)</u>	<u>(14,936)</u>	<u>(17,324)</u>	<u>(12,890)</u>	<u>(12,282)</u>
PROFIT FOR THE YEAR/PERIOD		<u>46,430</u>	<u>42,884</u>	<u>51,990</u>	<u>38,823</u>	<u>36,769</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>46,430</u>	<u>42,884</u>	<u>51,990</u>	<u>38,823</u>	<u>36,769</u>
Profit and total comprehensive income attributable to:						
Owners of the parent		46,430	42,874	48,294	35,304	34,726
Non-controlling interests		<u>—</u>	<u>10</u>	<u>3,696</u>	<u>3,519</u>	<u>2,043</u>
PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12					
Basic and diluted (RMB)		<u>0.35</u>	<u>0.32</u>	<u>0.36</u>	<u>0.26</u>	<u>0.26</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
		2023	2024	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	11,975	72,349	82,405	79,829
Right-of-use assets	14	265	177	88	44
Intangible assets	15	17,184	24,071	21,081	19,572
Deferred tax assets		177	470	1,486	1,389
Other non-current assets	17	3,327	2,916	3,655	12,866
Total non-current assets		32,928	99,983	108,715	113,700
CURRENT ASSETS					
Inventories		198	—	165	97
Trade receivables	18	415	258	611	2,272
Prepayments, other receivables and other assets	19	514	4,811	19,309	19,253
Income-tax recoverable		—	—	2,489	—
Financial assets at fair value through profit or loss	20	131,137	160,913	189,995	180,700
Cash and cash equivalents	21	29,873	41,389	28,875	67,104
Total current assets		162,137	207,371	241,444	269,426
CURRENT LIABILITIES					
Trade and other payables	22	7,263	54,154	27,668	19,380
Lease liabilities	14	82	95	91	93
Income tax payable		2,508	1,227	3,981	8,437
Contract liabilities		431	375	592	918
Total current liabilities		10,284	55,851	32,332	28,828
NET CURRENT ASSETS		151,853	151,520	209,112	240,598
TOTAL ASSETS LESS CURRENT LIABILITIES		184,781	251,503	317,827	354,298
NON-CURRENT LIABILITIES					
Lease liabilities	14	195	96	—	—
Deferred income		—	—	560	490
Deferred tax liabilities		—	7	—	—
Long-term payables	23	18,267	42,197	63,738	63,510
Total non-current liabilities		18,462	42,300	64,298	64,000
Net assets		166,319	209,203	253,529	290,298
EQUITY					
Equity attributable to owners of the parent					
Share capital	24	27,972	27,972	134,266	134,266
Reserves	25	138,347	136,221	70,557	105,283
		166,319	164,193	204,823	239,549
Non-controlling interests		—	45,010	48,706	50,749
Total equity		166,319	209,203	253,529	290,298

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent				
	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000 <i>Note 24</i>	RMB'000 <i>Note 25</i>	RMB'000 <i>Note 25</i>	RMB'000	RMB'000
As at 1 January 2023	25,175	1,792	5,398	59,106	91,471
Profit for the year	—	—	—	46,430	46,430
Total comprehensive income for the year	—	—	—	46,430	46,430
Issuance of ordinary shares	2,797	25,621	—	—	28,418
Appropriation to statutory reserves	—	—	4,643	(4,643)	—
As at 31 December 2023	<u>27,972</u>	<u>27,413*</u>	<u>10,041*</u>	<u>100,893*</u>	<u>166,319</u>

Year ended 31 December 2024

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 24	Note 25	Note 25				
As at 1 January 2024	27,972	27,413	10,041	100,893	166,319	—	166,319
Profit for the year	—	—	—	42,874	42,874	10	42,884
Total comprehensive income for the year	—	—	—	42,874	42,874	10	42,884
Contribution from non-controlling shareholders of a subsidiary	—	—	—	—	—	45,000	45,000
Recognition of a redemption liability	—	(27,413)	(14,327)	(3,260)	(45,000)	—	(45,000)
Appropriation to statutory reserves	—	—	4,286	(4,286)	—	—	—
As at 31 December 2024	<u>27,972</u>	<u>—*</u>	<u>—*</u>	<u>136,221*</u>	<u>164,193</u>	<u>45,010</u>	<u>209,203</u>

Year ended 31 December 2025

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 24	Note 25	Note 25				
As at 1 January 2025	27,972	—	—	136,221	164,193	45,010	209,203
Profit for the year	—	—	—	48,294	48,294	3,696	51,990
Total comprehensive income for the year	—	—	—	48,294	48,294	3,696	51,990
Final 2024 dividend declared (Note 11)	—	—	—	(7,664)	(7,664)	—	(7,664)
Capital reserve converted to share capital	106,294	—	—	(106,294)	—	—	—
Appropriation to statutory reserves	—	—	4,615	(4,615)	—	—	—
As at 31 December 2025	<u>134,266</u>	<u>—*</u>	<u>4,615*</u>	<u>65,942*</u>	<u>204,823</u>	<u>48,706</u>	<u>253,529</u>

The six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 24	Note 25	Note 25				
As at 1 January 2025	27,972	—	—	136,221	164,193	45,010	209,203
Profit for the period	—	—	—	35,304	35,304	3,519	38,823
Total comprehensive income for the period	—	—	—	35,304	35,304	3,519	38,823
Final 2024 dividend declared (Note 11)	—	—	—	(7,664)	(7,664)	—	(7,664)
As at 30 June 2025	<u>27,972</u>	<u>—</u>	<u>—</u>	<u>163,861</u>	<u>191,833</u>	<u>48,529</u>	<u>240,362</u>

The six months ended 30 June 2026

	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 24	Note 25	Note 25				
As at 1 January 2026	134,266	—	4,615	65,942	204,823	48,706	253,529
Profit for the period	—	—	—	34,726	34,726	2,043	36,769
Total comprehensive income for the period	—	—	—	34,726	34,726	2,043	36,769
As at 30 June 2026	<u>134,266</u>	<u>—*</u>	<u>4,615*</u>	<u>100,668*</u>	<u>239,549</u>	<u>50,749</u>	<u>290,298</u>

* These reserve accounts represent the total consolidated reserves of RMB138,347,000, RMB136,221,000, RMB70,557,000 and RMB105,283,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		61,408	57,820	69,314	51,713	49,051
Adjustments for:						
Depreciation of property, plant and equipment	13	2,628	3,395	8,929	4,179	4,861
Depreciation of right-of-use assets	14	89	88	89	44	44
Amortisation of intangible assets	15	1,364	1,364	3,015	1,507	1,509
Amortisation of deferred income		—	—	(140)	—	(70)
(Reversal)/Provision of impairment of trade receivables and other current financial assets	6	(11)	(3)	(9)	96	107
(Reversal)/Provision of impairment of inventories		(21)	194	—	—	—
Finance costs	7	949	881	839	415	392
Fair value (gains)/losses on structured deposits, net	6	(1,137)	(913)	5	(254)	(700)
Changes in carrying amount of redemption liability	6	—	—	2,620	—	120
Investment income from structured deposits	6	(2,038)	(2,970)	(2,464)	(766)	(1,252)
Loss on disposal of items of property, plant and equipment	6	115	104	223	—	—
Subtotal		63,346	59,960	82,421	56,934	54,062
Decrease/(increase) in inventories		21	4	(165)	(170)	68
Decrease/(increase) in trade receivables		303	161	(346)	(1,842)	(1,768)
(Increase)/decrease in prepayment, other receivables and other assets		(174)	1,561	1,579	1,252	(2,708)
(Decrease)/increase in contract liabilities		(276)	(56)	217	398	326
Increase in trade and other payables		2,410	3,056	500	2,039	4,219
Increase in deferred income related to income		—	—	700	—	—
Increase/(decrease) in long-term payables		48	(48)	—	—	—
Cash generated from operations		65,678	64,638	84,906	58,611	54,199
Income tax paid		(13,553)	(16,502)	(18,082)	(4,783)	(5,241)
Net cash flows generated from operating activities		52,125	48,136	66,824	53,828	48,958

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Notes</i>				(unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant, equipment	(5,496)	(49,554)	(26,604)	(15,802)	(17,285)
Purchase of financial assets at fair value through profit or loss	(385,000)	(723,000)	(770,000)	(220,000)	(380,000)
Proceeds from disposal of financial assets at fair value through profit or loss	327,577	697,107	743,377	331,679	391,247
Purchases of items of intangible assets	—	(4,373)	(2,735)	(2,187)	(2,187)
Net cash flows (used in)/generated from investing activities	(62,919)	(79,820)	(55,962)	93,690	(8,225)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of ordinary shares	28,558	—	—	—	—
Contribution from non-controlling shareholders of a subsidiary	—	45,000	—	—	—
Share issue expenses	(140)	—	—	—	—
Payment of listing expenses	—	—	(13,811)	—	(687)
Dividends paid	—	—	(7,664)	(7,664)	—
Principal portion of exclusive operation rights payments	(2,383)	(1,705)	(1,795)	—	(1,817)
Principal portion of lease payments	(95)	(95)	(106)	—	—
Net cash flows generated from/(used in) financing activities	25,940	43,200	(23,376)	(7,664)	(2,504)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,146	11,516	(12,514)	139,854	38,229
Cash and cash equivalents at beginning of year/period	14,727	29,873	41,389	41,389	28,875
Cash and cash equivalents at end of year/ period	29,873	41,389	28,875	181,243	67,104

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
		2023	2024	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	11,975	21,990	22,789	23,060
Right-of-use assets	14	265	177	88	44
Intangible assets	15	17,184	15,820	14,479	13,795
Investments in subsidiary	16	—	50,000	50,000	50,000
Deferred tax assets		177	470	823	702
Other non-current assets	17	3,327	—	88	2,296
Total non-current assets		32,928	88,457	88,267	89,897
CURRENT ASSETS					
Inventories		198	—	—	—
Trade receivables	18	415	258	2,992	4,122
Prepayments, other receivables and other assets	19	514	805	13,209	16,629
Financial assets at fair value through profit or loss	20	131,137	120,697	160,024	180,700
Cash and cash equivalents	21	29,873	30,968	15,185	26,683
Total current assets		162,137	152,728	191,410	228,134
CURRENT LIABILITIES					
Trade and other payables	22	7,263	13,014	10,893	12,977
Lease liabilities	14	82	95	91	93
Income tax payable		2,508	1,227	3,981	7,807
Contract liabilities		431	374	363	677
Total current liabilities		10,284	14,710	15,328	21,554
NET CURRENT ASSETS		151,853	138,018	176,082	206,580
TOTAL ASSETS LESS CURRENT LIABILITIES		184,781	226,475	264,349	296,477
NON-CURRENT LIABILITIES					
Lease liabilities	14	195	96	—	—
Deferred income		—	—	560	490
Long-term payables	23	18,267	17,197	16,118	15,770
Total non-current liabilities		18,462	17,293	16,678	16,260
Net assets		166,319	209,182	247,671	280,217
EQUITY					
Share capital	24	27,972	27,972	134,266	134,266
Reserves	25	138,347	181,210	113,405	145,951
Total equity		166,319	209,182	247,671	280,217

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was established on 31 August 2006 as a limited liability company in the People’s Republic of China (“PRC”). The registered office of the Company is located at 20 Gaoqiao South Street, Yangzhou City, Jiangsu Province, China. The Company was converted into a joint stock company with limited liability on 30 March 2016 and the Company’s shares were quoted on the National Equities Exchange and Quotations (“NEEQ”) on 9 May 2017.

During the Relevant Periods, the Company and its subsidiary (together, the “Group”) are principally engaged in providing water-based tourism services.

As at the end of the Relevant Periods, the Company had one subsidiary which is a private limited liability company, the particulars of which are set out below:

Name	Place of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
RMB'000					
Yangzhou Yuntong Culture and Performance Development Co., Ltd.* (“Yangzhou Yuntong”) (揚州市運通文化演藝發展有限 責任公司) (note (a))	PRC/ Chinese mainland 3 June 2024	95,000	52.63%	—	Water-based tourism service

- (a) No audited financial statements have been prepared for the entity for the year ended 31 December 2024 as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of establishment. The statutory financial statements of the entity for the year ended 31 December 2025 prepared in accordance with Chinese Accounting Standards for Business Enterprises (“CASBE”) were audited by Zhongxinghua Certified Public Accountants LLP (中興華會計師事務所(特殊普通合夥)), a certified public accounting firm registered in the PRC.
- * The English name of this company represents the best efforts made by the directors of the Company to translate its Chinese name as this company has not been registered with any official English name.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary for the Relevant Periods. A subsidiary is an entity (including a structured entity) directly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiary are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of the subsidiary are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ¹
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ¹

¹ Effective for annual/reporting periods beginning on or after 1 January 2027

² No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows, and disclosures in the future financial statements.

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The Group has already commenced an assessment of the impact of other new and amended HKFRS Accounting Standards, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when these new and amended HKFRS Accounting Standards become effective.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its structured deposits at fair value at the end of each of the Relevant Periods. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Office equipment and electronic devices	19% to 31.7%
Vehicles	4.8% to 31.7%
Leasehold improvements	5% to 20%
Machinery	9.5% to 19%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Exclusive operation rights

Exclusive operation right for operating water sightseeing boat services and exclusive operation right for operating sightseeing tour buses within the Shugang-Slender West Lake Scenic Area are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 20 years in accordance with the contractually agreed terms.

Intellectual property

Intellectual property represents the copyrights and other rights related to Grand Canal Yangzhou night professional show, which is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3 to 5 years.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful life of the asset as follows:

Building	4.5 years
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(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes structured deposits.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities and long-term payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Redemption liability

The financial liability is recognised initially at the present value of the redemption amount and is reclassified from equity. Subsequently, if the Group revises its estimates of future payments, the Group will adjust the carrying amount of the redemption liability to reflect the actual and revised estimated cash outflows. Further details are included in note 23 to the Historical Financial Information.

The adjustments will be recognised as "Other expense" or "Other income and gains" in the statement of profit or loss and other comprehensive income.

If the put option expires without delivery, the carrying amount of the liability is reclassified to equity.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in a subsidiary, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in a subsidiary, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) *Revenue from sightseeing boat services and sightseeing tour bus services*

Revenue from sightseeing boat services and sightseeing tour bus services is recognised over time as services are rendered — that is, when passengers board the vessel and simultaneously receives and consumes the benefits provided by the Group.

(b) *Provision of management services*

In line with industry practice and the terms stipulated under the management agreement, revenue derived from management services is recognised based on the progress of performance obligations, taking into account key project milestones or the continuous provision of services over the contractual period. Specially: (i) the fixed pre-agreed annual management service fee is recognised on a straight-line basis over the contract period according to the progress of performance; and (ii) the revenue derived from the revenue-sharing mechanism in the management services contract is recognised over time as services are rendered.

(c) *Revenue from advertising services*

The Group derives revenue from advertising services related to certain cruise vessels and associated facilities. As the customer simultaneously receives and consumes the benefits of the Group's performance during the fulfilment period, the related performance obligation is satisfied over time. Revenue is therefore recognised progressively as the performance obligation is fulfilled.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Pension scheme

The employees of the Group are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Identifying performance obligations and determining the main customer

The Group has entered into contracts with Gaoyou City Lake Tourism Investment Development Co., Ltd. to provide comprehensive entrusted management services for the Gaoyou City Lake Tourism Resort. These services include ticket sales and management, boat ticket operations and management, visitor reception and services, as well as scenic area marketing and promotion. The Group has determined that these performance obligations are not separately distinguishable and, as a whole, constitute a single performance obligation.

In addition, the Group identifies the customer as the party that has entered into the contract with the Group, receives the related services, and is obligated to pay consideration. Accordingly, Gaoyou City Lake Tourism Investment Development Co., Ltd. is regarded as the customer.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Redemption liability

The Group has a redemption liability arising from a put option arrangement with non-controlling shareholders of Yangzhou Yuntong. The redemption liability is initially recognised under “Long-term payables” in the consolidated financial statements at the present value of the estimated future cash outflows on exercise under the put option. The carrying amount of the financial liability is adjusted subsequently to reflect actual and revised estimated cash outflows, which will be recognised as “Other expenses” or “Other income and gains” in the statement of profit or loss and other comprehensive income. The information about the redemption liability is disclosed in note 23 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that renders water sightseeing boat services and sightseeing tour bus services, management services and advertising services. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.3. Accordingly, the Group has only a single operating segment and no further analysis of the single segment is presented.

Geographical information

As the Group generated all of its revenue in the PRC and its non-current assets were located in the PRC during the Relevant Periods, no geographical information is presented.

Information about major customers

There are no external customers from which the revenue accounted for 10% or more of the Group’s revenue during the Relevant Periods.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Revenue from contracts with customers .	<u>109,096</u>	<u>111,428</u>	<u>141,196</u>	<u>84,542</u>	<u>83,227</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Types of goods or services					
Revenue from sightseeing boat services					
and sightseeing tour bus services . . .	102,669	105,276	135,874	82,126	80,471
Revenue from advertising services	1,084	434	154	—	179
Provision of management services	5,343	5,718	5,168	2,416	2,577
Total	109,096	111,428	141,196	84,542	83,227
Timing of revenue recognition					
Services transferred over time	109,096	111,428	141,196	84,542	83,227
Total	109,096	111,428	141,196	84,542	83,227

The following table shows the amounts of revenue recognised in each of the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous years:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue from advertising services	707	—	—	—	—
Revenue from sightseeing boat services and sightseeing tour bus services . .	—	431	375	375	592
Total	707	431	375	375	592

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Revenue from sightseeing boat services and sightseeing tour bus services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required, except for tickets sold through travel agencies, where payment is generally due within 30 days from the date of delivery of tickets.

Revenue from advertising services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of delivery of services.

Provision of management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for a period of three years and are billed semi-annually.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023, 2024, 2025 and 30 June 2025 and 2026 are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts expected to be recognised as revenue:				
Within one year	3,000	1,500	3,500	3,500
After one year	1,500	—	5,250	3,500
Total	4,500	1,500	8,750	7,000

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognized as revenue after one year related to management services, of which the performance obligations are to be satisfied within two and a half years. The amounts disclosed above do not include variable consideration which is constrained.

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Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other income					
Rental Income	777	888	752	419	419
Others	621	195	285	721	98
Total other income	1,398	1,083	1,037	1,140	517
Gains					
Investment income from					
structured deposits	2,038	2,970	2,464	766	1,252
Fair value gains on structured					
deposits	1,137	913	—	254	700
Total gains	3,175	3,883	2,464	1,020	1,952
Total other income and gains . . .	4,573	4,966	3,501	2,160	2,469

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
		<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
					(unaudited)	
Depreciation of property, plant and equipment	13	2,628	3,395	8,929	4,179	4,861
Depreciation of right-of-use assets	14	89	88	89	44	44
Amortisation of intangible assets	15	1,364	1,364	3,015	1,507	1,509
Listing expense		—	—	2,392	—	708
Auditor's remuneration		175	175	175	175	175
Employee benefit expense (including directors' and supervisors' remuneration (note 8)):						
Wages and salaries		23,640	28,585	27,352	15,277	16,120
Pension scheme contributions and social welfare		5,026	6,240	7,882	2,037	4,177
Dispatched employee fees		7,483	7,275	6,705	3,546	1,477
Total		<u>36,149</u>	<u>42,100</u>	<u>41,939</u>	<u>20,860</u>	<u>21,774</u>
(Reversal)/Provision of impairment of trade receivables and other current financial assets		(11)	(3)	(9)	96	107
Loss on disposal of items of property, plant and equipment		115	104	223	—	—
Investment income from structured deposits	5	(2,038)	(2,970)	(2,464)	(766)	(1,252)
Fair value (gains)/losses on structured deposits	5	(1,137)	(913)	5	(254)	(700)
Changes in carrying amount of a redemption liability		—	—	2,620	—	120

7. FINANCE COSTS

An analysis of finance costs is as follows:

	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
				(unaudited)	
Interest on long term payable	934	872	833	412	390
Interest on lease liabilities	15	9	6	3	2
Total	<u>949</u>	<u>881</u>	<u>839</u>	<u>415</u>	<u>392</u>

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of directors, supervisors and the chief executive of the Company recorded in each of the Relevant Periods is set out below:

	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
				(unaudited)	
Fees	—	—	39	—	75
Other emoluments:					
Salaries, allowances and benefits in kind	1,190	1,219	1,275	354	604
Performance related bonuses*	131	62	90	—	—
Pension scheme contributions	<u>102</u>	<u>106</u>	<u>139</u>	<u>120</u>	<u>91</u>
Subtotal	<u>1,423</u>	<u>1,387</u>	<u>1,504</u>	<u>474</u>	<u>695</u>
Total	<u>1,423</u>	<u>1,387</u>	<u>1,543</u>	<u>474</u>	<u>770</u>

(a) Independent non-executive directors

	<u>Year ended</u>	<u>Six months</u>
	<u>31 December</u>	<u>ended</u>
	<u>2025</u>	<u>30 June</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Ms. Shen Ling	13	25
Mr. Huang Jie	13	25
Ms. Huang Chunfang	<u>13</u>	<u>25</u>
Total	<u>39</u>	<u>75</u>

Ms. Shen Ling, Mr. Huang Jie and Ms. Huang Chunfang were appointed as independent non-executive directors on 20 September 2025.

(b) Directors, supervisors and the chief executive

The remuneration of each of the directors, supervisors and the chief executive of the Company during the Relevant Periods is set out below:

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2023				
<i>Directors</i>				
Ms. Xu Shunmei (i)	—	—	—	—
Mr. Lian Gang (ii)	458	—	102	560
Ms. Chen Li (iii)	367	—	50	417
Ms. Qi Jing (iv)	—	—	—	—
Ms. Gao Xinmiao (v)	118	66	47	231
Ms. Xu Min (vi)	—	—	—	—
Subtotal	943	66	199	1,208
<i>Supervisors</i>				
Ms. Wang Juan (i)	—	—	—	—
Ms. Zhang Beini (vii)	—	—	—	—
Mr. Zhou Xuan (viii)	117	65	33	215
Subtotal	117	65	33	215
Total	1,060	131	232	1,423

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2024				
<i>Directors</i>				
Ms. Xu Shunmei (i)	—	—	—	—
Mr. Lian Gang (ii)	445	—	102	547
Ms. Chen Li (iii)	356	—	55	411
Ms. Qi Jing (iv)	—	—	—	—
Ms. Gao Xinmiao (v)	175	—	47	222
Ms. Xu Min (vi)	—	—	—	—
Subtotal	976	—	204	1,180
<i>Supervisors</i>				
Ms. Wang Juan (i)	—	—	—	—
Ms. Zhang Beini (vii)	—	—	—	—
Mr. Zhou Xuan (viii)	112	62	33	207
Subtotal	112	62	33	207
Total	1,088	62	237	1,387

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025				
<i>Executive directors</i>				
Ms. Xu Shunmei (i)	—	—	—	—
Ms. Wang Juan (i)	—	—	—	—
Mr. Lian Gang (ii)	578	30	48	656
Mr. Zhao Long (ix)	143	20	16	179
Ms. Chen Xin (x)	143	20	16	179
Ms. Jin Jing (xi)	73	20	10	103
Subtotal	937	90	90	1,117
<i>Non-executive directors</i>				
Ms. Chen Li (iii)	171	—	21	192
Ms. Qi Jing (iv)	—	—	—	—
Ms. Gao Xinmiao(v)	95	—	14	109
Ms. Xu Min (vi)	—	—	—	—
Subtotal	266	—	35	301
<i>Supervisors</i>				
Ms. Zhang Beini (vii)	—	—	—	—
Mr. Zhou Xuan (viii)	72	—	14	86
Subtotal	72	—	14	86
Total	1,275	90	139	1,504

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2025 (unaudited)				
<i>Directors</i>				
Ms. Xu Shunmei (i)	—	—	—	—
Mr. Lian Gang (ii)	136	—	55	191
Ms. Chen Li (iii)	112	—	32	144
Ms. Qi Jing (iv)	—	—	—	—
Ms. Gao Xinmiao(v)	58	—	23	81
Ms. Xu Min (vi)	—	—	—	—
Subtotal	306	—	110	416
<i>Supervisors</i>				
Ms. Wang Juan (i)	—	—	—	—
Ms. Zhang Beini (vii)	—	—	—	—
Mr. Zhou Xuan (viii)	48	—	10	58
Subtotal	48	—	10	58
Total	354	—	120	474
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000

Six months ended 30 June 2026

<i>Executive directors</i>				
Ms. Xu Shunmei (i)	—	—	—	—
Ms. Wang Juan (i)	—	—	—	—
Mr. Lian Gang (ii)	171	—	24	195
Mr. Zhao Long (ix)	148	—	24	172
Ms. Chen Xin (x)	148	—	24	172
Ms. Jin Jing (xi)	137	—	19	156
Total	604	—	91	695

- (i) Ms. Xu Shunmei was appointed as director of the Company on 20 August 2006 and as chairman of the board on 5 September 2019. Effective from 1 February 2022, her employment relationship was transferred to Yangzhou Quanyu Tourism Co., Ltd. as chairman of the board. From then, Ms. Xu Shunmei receives her remuneration from Yangzhou Quanyu Tourism Co., Ltd., while continuing to serve in her role within the Company. Ms. Xu Shunmei was appointed as chairman of the board on 20 September 2025.

Ms. Wang Juan was appointed as a supervisor on 23 September 2022. Effective from 1 February 2022, her employment relationship was transferred to Yangzhou Quanyu Tourism Co., Ltd. as director. From then, Ms. Wang Juan receives her remuneration from Yangzhou Quanyu Tourism Co., Ltd., while continuing to serve as supervisor in the Company. Ms. Wang Juan resigned from the position of supervisor on 5 September 2025 due to the decision of the directors discontinue the supervisory board. Ms. Wang Juan was appointed as an executive director on 20 September 2025.

- (ii) Mr. Lian Gang was appointed as a director on 23 September 2022, and appointed as an executive director on 20 September 2025.
- (iii) Ms. Chen Li was appointed as a director on 23 September 2022, resigned from the position of director on 20 September 2025 due to the change of term election.
- (iv) Ms. Qi Jing was appointed as a director on 23 September 2022, resigned from the position of director on 20 September 2025 due to the change of term election.
- (v) Ms. Gao Xinmiao was appointed as a director 23 September 2022, resigned from the position of director on 20 September 2025 due to the change of term election.
- (vi) Ms. Xu Min was appointed as a director on 4 August 2023, resigned from the position of director on 20 September 2025 due to the change of term election.
- (vii) Ms. Zhang Beini was appointed as a supervisor on 23 September 2022, resigned from the position of supervisor on 5 September 2025 due to the decision of the directors discontinue the supervisory board.
- (viii) Mr. Zhou Xuan was appointed as a supervisor on 23 August 2022, resigned from the position of supervisor on 5 September 2025 due to the decision of the directors discontinue the supervisory board.
- (ix) Mr. Zhao Long was appointed as an executive director on 20 September 2025.
- (x) Ms. Chen Xin was appointed as an executive director on 20 September 2025.
- (xi) Ms. Jin Jing was appointed as an executive director on 20 September 2025.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026 included two, two, three, two and four directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining highest paid employees who are neither a director nor a supervisor of the Company during the Relevant Periods are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	918	884	452	366	124
Performance related bonuses	—	—	—	—	—
Pension scheme contributions	145	120	160	136	47
Total	1,063	1,003	612	502	171

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HK\$500,000	3	3	2	3	1

10. INCOME TAX

All the entities within the Group are incorporated and operate in PRC.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiary is 25%.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current income tax	15,047	15,222	18,347	13,091	12,186
Deferred income tax	(69)	(286)	(1,023)	(201)	96
Total	<u>14,978</u>	<u>14,936</u>	<u>17,324</u>	<u>12,890</u>	<u>12,282</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and its subsidiary are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit before tax	<u>61,408</u>	<u>57,820</u>	<u>69,314</u>	<u>51,713</u>	<u>49,051</u>
Tax at the tax rate of 25%	15,352	14,455	17,329	12,928	12,263
Income not subject to tax	(568)	—	(45)	(39)	—
Adjustments in respect of current tax of previous periods	—	—	—	—	18
Expenses not deductible for tax	<u>194</u>	<u>481</u>	<u>40</u>	<u>1</u>	<u>1</u>
Tax charge at the Group's effective rate .	<u>14,978</u>	<u>14,936</u>	<u>17,324</u>	<u>12,890</u>	<u>12,282</u>

11. DIVIDENDS

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Dividends declared to owners of the parent	<u>—</u>	<u>—</u>	<u>7,664</u>	<u>7,664</u>	<u>—</u>

On 8 May 2025, the Company's shareholders approved the 2024 profit distribution plan at an annual general meeting, pursuant to which a dividend of RMB2.74 per 10 shares of the Company's 27,972,045 shares, in an aggregate amount of RMB7,664,000. The dividend was paid in June 2025.

In September 2025, the Company's shareholders also approved a share dividend by way of a capitalisation issue, pursuant to which 38 new Shares were allotted for every 10 existing Shares. Please refer to note 24(a) for details.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares during each of the Relevant Periods.

<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	

Earnings:

Profit attributable to ordinary equity

holders of the Company	<u>46,430</u>	<u>42,874</u>	<u>48,294</u>	<u>35,304</u>	<u>34,726</u>
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On 30 September, 2025, the Company issued 106,294,000 shares that were allotted from the capital reserve to shareholders at a ratio of 38 new shares for every 10 existing shares. The conversion of reserve into share capital with a par value of RMB1.00 per share is applied retrospectively for the Relevant Periods. The calculations of basic and diluted earnings per share are based on:

<u>Number of shares</u>				
<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
'000	'000	'000	'000	'000
			(unaudited)	

Shares

Weighted average number of ordinary

shares in issue during the year/period	<u>132,833</u>	<u>134,266</u>	<u>134,266</u>	<u>134,266</u>	<u>134,266</u>
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13. PROPERTY, PLANT AND EQUIPMENT**The Group**

	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
At 1 January 2023:				
Cost	1,476	34,637	4,437	40,550
Accumulated depreciation and impairment	(1,349)	(26,399)	(1,705)	(29,453)
Net carrying amount	<u>127</u>	<u>8,238</u>	<u>2,732</u>	<u>11,097</u>
At 1 January 2023, net of accumulated depreciation and impairment	127	8,238	2,732	11,097
Additions	78	3,563	—	3,641
Disposals	(2)	(133)	—	(135)
Depreciation provided during the year	(46)	(2,295)	(287)	(2,628)
At 31 December 2023, net of accumulated depreciation and impairment	<u>157</u>	<u>9,373</u>	<u>2,445</u>	<u>11,975</u>
At 31 December 2023:				
Cost	1,516	35,541	4,437	41,494
Accumulated depreciation and impairment	(1,359)	(26,168)	(1,992)	(29,519)
Net carrying amount	<u>157</u>	<u>9,373</u>	<u>2,445</u>	<u>11,975</u>

	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024					
At 1 January 2024:					
Cost	—	1,516	35,541	4,437	41,494
Accumulated depreciation and impairment	—	(1,359)	(26,168)	(1,992)	(29,519)
Net carrying amount	<u>—</u>	<u>157</u>	<u>9,373</u>	<u>2,445</u>	<u>11,975</u>
At 1 January 2024, net of accumulated depreciation and impairment	—	157	9,373	2,445	11,975
Additions	37,183	55	23,795	2,840	63,873
Disposals	—	—	(104)	—	(104)
Depreciation provided during the year	—	(45)	(2,910)	(440)	(3,395)
At 31 December 2024, net of accumulated depreciation and impairment	<u>37,183</u>	<u>167</u>	<u>30,154</u>	<u>4,845</u>	<u>72,349</u>
At 31 December 2024:					
Cost	37,183	1,571	57,255	7,277	103,286
Accumulated depreciation and impairment	—	(1,404)	(27,101)	(2,432)	(30,937)
Net carrying amount	<u>37,183</u>	<u>167</u>	<u>30,154</u>	<u>4,845</u>	<u>72,349</u>

	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
At 1 January 2025:						
Cost	37,183	1,571	57,255	7,277	—	103,286
Accumulated depreciation and impairment	—	(1,404)	(27,101)	(2,432)	—	(30,937)
Net carrying amount	<u>37,183</u>	<u>167</u>	<u>30,154</u>	<u>4,845</u>	<u>—</u>	<u>72,349</u>
At 1 January 2025, net of accumulated depreciation and impairment	37,183	167	30,154	4,845	—	72,349
Additions	—	95	10,295	3,358	5,460	19,208
Disposals	—	(5)	(218)	—	—	(223)
Depreciation provided during the year	<u>(3,532)</u>	<u>(57)</u>	<u>(3,911)</u>	<u>(1,429)</u>	<u>—</u>	<u>(8,929)</u>
At 31 December 2025, net of accumulated depreciation and impairment	<u>33,651</u>	<u>200</u>	<u>36,320</u>	<u>6,774</u>	<u>5,460</u>	<u>82,405</u>
At 31 December 2025:						
Cost	37,183	1,577	63,195	10,635	5,460	118,050
Accumulated depreciation and impairment	<u>(3,532)</u>	<u>(1,377)</u>	<u>(26,875)</u>	<u>(3,861)</u>	<u>—</u>	<u>(35,645)</u>
Net carrying amount	<u>33,651</u>	<u>200</u>	<u>36,320</u>	<u>6,774</u>	<u>5,460</u>	<u>82,405</u>

	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2026						
At 1 January 2026:						
Cost	37,183	1,577	63,195	10,635	5,460	118,050
Accumulated depreciation and impairment	<u>(3,532)</u>	<u>(1,377)</u>	<u>(26,875)</u>	<u>(3,861)</u>	<u>—</u>	<u>(35,645)</u>
Net carrying amount	<u>33,651</u>	<u>200</u>	<u>36,320</u>	<u>6,774</u>	<u>5,460</u>	<u>82,405</u>
At 1 January 2026, net of accumulated depreciation and impairment	33,651	200	36,320	6,774	5,460	82,405
Additions	—	127	319	862	1,631	2,939
Cost adjustment	(654)	—	—	—	—	(654)
Transfers	2,642	—	4,449	—	(7,091)	—
Depreciation provided during the period	<u>(1,868)</u>	<u>(34)</u>	<u>(2,113)</u>	<u>(846)</u>	<u>—</u>	<u>(4,861)</u>
At 30 June 2026, net of accumulated depreciation and impairment	<u>33,771</u>	<u>293</u>	<u>38,975</u>	<u>6,790</u>	<u>—</u>	<u>79,829</u>
At 30 June 2026:						
Cost	39,171	1,704	67,963	11,497	—	120,335
Accumulated depreciation and impairment	<u>(5,400)</u>	<u>(1,411)</u>	<u>(28,988)</u>	<u>(4,707)</u>	<u>—</u>	<u>(40,506)</u>
Net carrying amount	<u>33,771</u>	<u>293</u>	<u>38,975</u>	<u>6,790</u>	<u>—</u>	<u>79,829</u>

The Company

	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
At 1 January 2023:				
Cost	1,476	34,637	4,437	40,550
Accumulated depreciation	<u>(1,349)</u>	<u>(26,399)</u>	<u>(1,705)</u>	<u>(29,453)</u>
Net carrying amount	<u>127</u>	<u>8,238</u>	<u>2,732</u>	<u>11,097</u>
At 1 January 2023, net of accumulated depreciation	127	8,238	2,732	11,097
Additions	78	3,563	—	3,641
Disposals	(2)	(133)	—	(135)
Depreciation provided during the year	<u>(46)</u>	<u>(2,295)</u>	<u>(287)</u>	<u>(2,628)</u>
At 31 December 2023, net of accumulated depreciation	<u>157</u>	<u>9,373</u>	<u>2,445</u>	<u>11,975</u>
At 31 December 2023:				
Cost	1,516	35,541	4,437	41,494
Accumulated depreciation	<u>(1,359)</u>	<u>(26,168)</u>	<u>(1,992)</u>	<u>(29,519)</u>
Net carrying amount	<u>157</u>	<u>9,373</u>	<u>2,445</u>	<u>11,975</u>

	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	
31 December 2024					
At 1 January 2024:					
Cost	1,516	35,541	4,437	41,494	
Accumulated depreciation	(1,359)	(26,168)	(1,992)	(29,519)	
Net carrying amount	157	9,373	2,445	11,975	
At 1 January 2024, net of accumulated					
depreciation	157	9,373	2,445	11,975	
Additions	55	11,680	1,743	13,478	
Disposals	—	(104)	—	(104)	
Depreciation provided during the year	(45)	(2,910)	(404)	(3,359)	
At 31 December 2024, net of accumulated					
depreciation	167	18,039	3,784	21,990	
At 31 December 2024:					
Cost	1,571	45,140	6,180	52,891	
Accumulated depreciation	(1,404)	(27,101)	(2,396)	(30,901)	
Net carrying amount	167	18,039	3,784	21,990	
	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025					
At 1 January 2025:					
Cost	1,571	45,140	6,180	—	52,891
Accumulated depreciation	(1,404)	(27,101)	(2,396)	—	(30,901)
Net carrying amount	167	18,039	3,784	—	21,990
At 1 January 2025, net of accumulated					
depreciation	167	18,039	3,784	—	21,990
Additions	63	573	255	3,437	4,328
Disposals	(5)	(218)	—	—	(223)
Depreciation provided during the year	(48)	(2,571)	(687)	—	(3,306)
At 31 December 2025, net of accumulated					
depreciation	177	15,823	3,352	3,437	22,789
At 31 December 2025:					
Cost	1,548	41,358	6,435	3,437	52,778
Accumulated depreciation	(1,371)	(25,535)	(3,083)	—	(29,989)
Net carrying amount	177	15,823	3,352	3,437	22,789

	Office equipment and electronic devices	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2026					
At 1 January 2026:					
Cost	1,548	41,358	6,435	3,437	52,778
Accumulated depreciation	(1,371)	(25,535)	(3,083)	—	(29,989)
Net carrying amount	<u>177</u>	<u>15,823</u>	<u>3,352</u>	<u>3,437</u>	<u>22,789</u>
At 1 January 2026, net of accumulated depreciation	177	15,823	3,352	3,437	22,789
Additions	92	319	720	1,012	2,143
Transfers	—	4,449	—	(4,449)	—
Depreciation provided during the period	<u>(31)</u>	<u>(1,424)</u>	<u>(417)</u>	<u>—</u>	<u>(1,872)</u>
At 30 June 2026, net of accumulated depreciation	<u>238</u>	<u>19,167</u>	<u>3,655</u>	<u>—</u>	<u>23,060</u>
At 30 June 2026:					
Cost	1,640	46,126	7,155	—	54,921
Accumulated depreciation	<u>(1,402)</u>	<u>(26,959)</u>	<u>(3,500)</u>	<u>—</u>	<u>(31,861)</u>
Net carrying amount	<u>238</u>	<u>19,167</u>	<u>3,655</u>	<u>—</u>	<u>23,060</u>

14. LEASES**The Group as a lessee**

The Group has one lease contract for the item of leasehold building which has a lease term of 4.5 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group and the Company

	<u>Building</u> <u>RMB'000</u>
As at 1 January 2023	354
Depreciation charge	<u>(89)</u>
As at 31 December 2023 and 1 January 2024	265
Depreciation charge	<u>(88)</u>
As at 31 December 2024 and 1 January 2025	177
Depreciation charge	<u>(89)</u>
As at 31 December 2025 and 1 January 2026	88
Depreciation charge	<u>(44)</u>
As at 30 June 2026	<u><u>44</u></u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group and the Company

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Carrying amount at the beginning of the year/ period	357	277	191	91
Accretion of interest recognised during the year/ period	15	9	6	2
Payments	<u>(95)</u>	<u>(95)</u>	<u>(106)</u>	<u>—</u>
Carrying amount at the end of the year/period . . .	<u><u>277</u></u>	<u><u>191</u></u>	<u><u>91</u></u>	<u><u>93</u></u>
Analysed into:				
Current portion	82	95	91	93
Non-current portion	<u>195</u>	<u>96</u>	<u>—</u>	<u>—</u>

The maturity analysis of lease liabilities is disclosed in note 32 to the financial statements.

(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	15	9	6	3	2
Depreciation charge of right-of-use assets	89	88	89	44	44
Total amount recognised in profit or loss	104	97	95	47	46

(d) The total cash outflow for leases and future cash outflows relating to leases that have yet commenced are disclosed in note 27(c) to the financial statements.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	95	95	95	95
After one year but within two years	95	95	—	—
After two years but within three years	95	—	—	—
Total	285	190	95	95

The Group as a lessor

The Group leases its ancillary facilities at its wharves under operating lease arrangements. Rental income recognised by the Group during the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026 was RMB777,000, RMB888,000, RMB752,000 and RMB419,000, details of which are included in note 5 to the Historical Financial Information.

At the end of each of Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	869	600	880	880
After one year but within two years	600	600	880	880
After two years but within three years	600	600	730	430
After three years but within four years	600	450	280	280
After four years but within five years	450	—	280	140
After five years	—	—	—	—
Total	3,119	2,250	3,050	2,610

15. INTANGIBLE ASSETS**The Group**

	Exclusive operation rights	Software	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
At 1 January 2023:			
Cost	21,009	168	21,177
Accumulated amortisation and impairment	<u>(2,461)</u>	<u>(168)</u>	<u>(2,629)</u>
Net carrying amount	<u>18,548</u>	<u>—</u>	<u>18,548</u>
Cost at 1 January 2023, net of accumulated amortisation and impairment	18,548	—	18,548
Additions	—	—	—
Amortisation provided during the year	<u>(1,364)</u>	<u>—</u>	<u>(1,364)</u>
At 31 December 2023	<u>17,184</u>	<u>—</u>	<u>17,184</u>
At 31 December 2023 and at 1 January 2024:			
Cost	21,009	168	21,177
Accumulated amortisation and impairment	<u>(3,825)</u>	<u>(168)</u>	<u>(3,993)</u>
Net carrying amount	<u>17,184</u>	<u>—</u>	<u>17,184</u>

	Exclusive operation rights	Intellectual property	Software	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation and impairment	17,184	—	—	17,184
Additions	—	8,251	—	8,251
Disposals	—	—	—	—
Amortisation provided during the year	(1,364)	—	—	(1,364)
At 31 December 2024	<u>15,820</u>	<u>8,251</u>	<u>—</u>	<u>24,071</u>
At 31 December 2024 and at 1 January 2025:				
Cost	21,009	8,251	168	29,428
Accumulated amortisation and impairment	(5,189)	—	(168)	(5,357)
Net carrying amount	<u>15,820</u>	<u>8,251</u>	<u>—</u>	<u>24,071</u>
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation and impairment	15,820	8,251	—	24,071
Additions	—	—	25	25
Amortisation provided during the year	(1,364)	(1,650)	(1)	(3,015)
At 31 December 2025	<u>14,456</u>	<u>6,601</u>	<u>24</u>	<u>21,081</u>
At 31 December 2025:				
Cost	21,009	8,251	193	29,453
Accumulated amortisation and impairment	(6,553)	(1,650)	(169)	(8,372)
Net carrying amount	<u>14,456</u>	<u>6,601</u>	<u>24</u>	<u>21,081</u>
30 June 2026				
Cost at 1 January 2026, net of accumulated amortisation and impairment	14,456	6,601	24	21,081
Additions	—	—	—	—
Amortisation provided during the period	(682)	(825)	(2)	(1,509)
At 30 June 2026	<u>13,774</u>	<u>5,776</u>	<u>22</u>	<u>19,572</u>
At 30 June 2026:				
Cost	21,009	8,251	193	29,453
Accumulated amortisation and impairment	(7,235)	(2,475)	(171)	(9,881)
Net carrying amount	<u>13,774</u>	<u>5,776</u>	<u>22</u>	<u>19,572</u>

The Company

	Exclusive operation rights	Software	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
At 1 January 2023:			
Cost	21,009	168	21,177
Accumulated amortisation	(2,461)	(168)	(2,629)
Net carrying amount	<u>18,548</u>	<u>—</u>	<u>18,548</u>
Cost at 1 January 2023, net of accumulated amortisation	18,548	—	18,548
Additions	—	—	—
Amortisation provided during the year	(1,364)	—	(1,364)
At 31 December 2023	<u>17,184</u>	<u>—</u>	<u>17,184</u>
At 31 December 2023 and at 1 January 2024:			
Cost	21,009	168	21,177
Accumulated amortisation and impairment	(3,825)	(168)	(3,993)
Net carrying amount	<u>17,184</u>	<u>—</u>	<u>17,184</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation and impairment	17,184	—	17,184
Additions	—	—	—
Disposals	—	—	—
Amortisation provided during the year	(1,364)	—	(1,364)
At 31 December 2024	<u>15,820</u>	<u>—</u>	<u>15,820</u>
At 31 December 2024 and at 1 January 2025:			
Cost	21,009	168	21,177
Accumulated amortisation and impairment	(5,189)	(168)	(5,357)
Net carrying amount	<u>15,820</u>	<u>—</u>	<u>15,820</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation and impairment	15,820	—	15,820
Additions	—	25	25
Amortisation provided during the year	(1,365)	(1)	(1,366)
At 31 December 2025	<u>14,455</u>	<u>24</u>	<u>14,479</u>

	Exclusive operation rights	Software	Total
	RMB'000	RMB'000	RMB'000
At 31 December 2025:			
Cost	21,009	193	21,202
Accumulated amortisation and impairment	<u>(6,554)</u>	<u>(169)</u>	<u>(6,723)</u>
Net carrying amount	<u>14,455</u>	<u>24</u>	<u>14,479</u>

30 June 2026

Cost at 30 June 2026, net of accumulated amortisation and impairment	14,455	24	14,479
Additions	—	—	—
Amortisation provided during the period	<u>(682)</u>	<u>(2)</u>	<u>(684)</u>
At 30 June 2026	<u>13,773</u>	<u>22</u>	<u>13,795</u>
At 30 June 2026:			
Cost	21,009	193	21,202
Accumulated amortisation and impairment	<u>(7,236)</u>	<u>(171)</u>	<u>(7,407)</u>
Net carrying amount	<u>13,773</u>	<u>22</u>	<u>13,795</u>

16. INVESTMENTS IN A SUBSIDIARY

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in a subsidiary	<u>—</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

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The Company entered into a strategic collaboration with several key partners, including Yangzhou Garden Co., Ltd., Yao Youguang Technology Group Co., Ltd., Yangzhou Radio and Television News Network Media Co., Ltd., and Jiangsu YIMI Technology Industry Co., Ltd., to jointly establish Yangzhou Yuntong on 3 June 2024 (refer to note 1) with an initial registered capital of RMB5,000,000.

In September 2024, the shareholders of Yangzhou Yuntong resolved to increase the registered capital from RMB5,000,000 to RMB95,000,000. The additional capital contribution of RMB90,000,000 was made by the existing shareholders in proportion to their respective shareholding percentages.

Pursuant to the capital increase agreement, the Company is obligated to buy back the equity interests held by non-controlling shareholders of Yangzhou Yuntong at the valuation price as of the buyback date. Specifically, the Group is required to acquire the shares held by Yangzhou Garden Co., Ltd. no later than 31 December 2025, and the shares held by other non-controlling shareholders of Yangzhou Yuntong no later than 31 January 2030. As the Group does not have an unconditional right to avoid the future delivery of cash or other financial assets under the put options granted to the non-controlling shareholders of Yangzhou Yuntong, it has recognised a financial liability measured at amortised cost in respect of the redemption obligation.

In September 2025, the Company entered into a buyback extension agreement with Yangzhou Garden Co., Ltd., pursuant to which the original redemption date was extended from 31 December 2025 to 31 January 2030.

Each of the non-controlling shareholders of Yangzhou Yuntong has agreed that the buyback of their respective equity interests will be initiated and managed by the Company. As of 30 June 2026, the board of directors of the Company assessed that the redemption obligation maturing on 31 January 2030 would not be settled within the next twelve months. Accordingly, the redemption liability due before 31 January 2030 has been classified as a non-current liability in the consolidated financial statements.

17. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	3,327	2,916	3,655	8,430
Value-added-tax recoverable	—	—	—	4,436
Total	<u>3,327</u>	<u>2,916</u>	<u>3,655</u>	<u>12,866</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	<u>3,327</u>	<u>—</u>	<u>88</u>	<u>2,296</u>

18. TRADE RECEIVABLES**The Group**

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade receivables	439	278	624	2,392
Impairment	(24)	(20)	(13)	(120)
Net carrying amount	<u>415</u>	<u>258</u>	<u>611</u>	<u>2,272</u>

The Company

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade receivables	439	278	598	2,213
Amount due from a subsidiary	—	—	2,407	2,020
Impairment	(24)	(20)	(13)	(111)
Net carrying amount	<u>415</u>	<u>258</u>	<u>2,992</u>	<u>4,122</u>

Advance payment is normally required for sales of cruise tickets, except for certain long-standing customers with bulk purchases and good credit standing such as travel agencies, where payment is due within 30 days from the date of delivery. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Within 1 year	388	180	611	2,272
1 to 2 years	27	64	—	—
2 to 3 years	—	14	—	—
Total	<u>415</u>	<u>258</u>	<u>611</u>	<u>2,272</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	388	180	2,992	4,122
1 to 2 years	27	64	—	—
2 to 3 years	—	14	—	—
Total	415	258	2,992	4,122

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	37	24	20	13
Impairment losses, net	(13)	(4)	(7)	107
At end of year/period	24	20	13	120

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	37	24	20	13
Impairment losses, net	(13)	(4)	(7)	98
At end of year/period	24	20	13	111

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

	Expected credit loss rate %	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
As at 31 December 2023				
For credit loss allowance measured on collective basis				
Up to 1 year	4.90%	408	(20)	388
1 year to 2 years	12.90%	31	(4)	27
Total		439	(24)	415

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
For credit loss allowance measured on collective basis				
Up to 1 year	5.26%	190	(10)	180
1 year to 2 years	9.86%	71	(7)	64
2 years to 3 years	17.65%	<u>17</u>	<u>(3)</u>	<u>14</u>
Total		<u>278</u>	<u>(20)</u>	<u>258</u>

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000

As at 31 December 2025

For credit loss allowance measured on
individual basis

Due from related parties	0.00%	<u>357</u>	<u>—</u>	<u>357</u>
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For credit loss allowance measured on
collective basis

Up to 1 year	4.87%	<u>267</u>	<u>(13)</u>	<u>254</u>
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	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000

As at 30 June 2026

For credit loss allowance measured on
collective basis

Up to 1 year	<u>5.02%</u>	<u>2,392</u>	<u>(120)</u>	<u>2,272</u>
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Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix: (continued)

The Company

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
For credit loss allowance measured on a collective basis				
Up to 1 year	4.90%	408	(20)	388
1 year to 2 years	12.90%	31	(4)	27
Total		439	(24)	415

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
For credit loss allowance measured on a collective basis				
Up to 1 year	5.26%	190	(10)	180
1 year to 2 years	9.86%	71	(7)	64
2 years to 3 years	17.65%	17	(3)	14
Total		278	(20)	258

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
As at 31 December 2025				
For credit loss allowance measured on a individual basis				
Due from related parties	0.00%	2,764	—	2,764
For credit loss allowance measured on a collective basis				
Up to 1 year	5.39%	241	(13)	228

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
As at 30 June 2026				
For credit loss allowance measured on a individual basis				
Due from related parties	0.00%	<u>2,020</u>	<u>—</u>	<u>2,020</u>
For credit loss allowance measured on a collective basis				
Up to 1 year	5.02%	<u>2,213</u>	<u>(111)</u>	<u>2,102</u>

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	84	166	445	329
Deposits and other receivables	48	62	120	23
Value-added-tax recoverable	382	4,583	5,666	2,321
Listing expense	<u>—</u>	<u>—</u>	<u>13,078</u>	<u>16,580</u>
Total	<u>514</u>	<u>4,811</u>	<u>19,309</u>	<u>19,253</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	84	166	114	26
Deposits and other receivables	48	62	17	23
Value-added-tax recoverable	382	577	—	—
Listing expense	<u>—</u>	<u>—</u>	<u>13,078</u>	<u>16,580</u>
Total	<u>514</u>	<u>805</u>	<u>13,209</u>	<u>16,629</u>

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. At the end of each of the Relevant Periods, the loss allowance was assessed to be minimal.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value	131,137	160,913	189,995	180,700

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value	131,137	120,697	160,024	180,700

The structured deposits were issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. All the structured deposits are principal-guaranteed.

21. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	29,873	41,389	28,875	67,104

At the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to RMB29,873,000, RMB41,389,000, RMB28,875,000 and RMB67,104,000, respectively. The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	29,873	30,968	15,185	26,683

22. TRADE AND OTHER PAYABLES**The Group**

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for property, plant and equipment and intangible assets	86	8,972	5,615	5,196
Payroll payables	5,457	7,945	7,095	5,312
Other tax payables	21	51	598	1,413
Redemption liability, current portion (<i>note 29</i>) [*]	—	20,000	—	—
Amount due to related party (<i>note 29</i>)	—	14,754	12,044	2,383
Long term payable of exclusive operation rights due within one year (<i>note 29</i>)	769	962	1,079	—
Listing expense payable	—	—	—	3,412
Others ^{**}	930	1,470	1,237	1,664
Total	7,263	54,154	27,668	19,380

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	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for property, plant and equipment and intangible assets	86	2,785	1,201	1,110
Payroll payables	5,457	7,945	7,095	5,312
Other tax payables	21	51	598	1,413
Amount due to related parties	—	—	—	602
Long term payable of exclusive operation rights due within one year (<i>note 29</i>)	769	962	1,079	—
Listing expense payable	—	—	—	3,412
Others ^{**}	930	1,271	920	1,129
Total	7,263	13,014	10,893	12,978

* The redemption liability arises from a put option arrangement with non-controlling shareholders of a subsidiary. For detail, please refer to note 16 to the Historical Financial Information.

** Others includes deposits from travel agencies and miscellaneous payables.

An ageing analysis of the trade and other payables due to related parties as at the end of each of the Relevant Periods, based on the transaction date, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	769	35,716	1,079	602
1 to 2 years	—	—	12,044	1,781
2 to 3 years	—	—	—	—
Total	<u>769</u>	<u>35,716</u>	<u>13,123</u>	<u>2,383</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	769	962	1,079	602
1 to 2 years	—	—	—	—
2 to 3 years	—	—	—	—
Total	<u>769</u>	<u>962</u>	<u>1,079</u>	<u>602</u>

23. LONG-TERM PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Long term payable of exclusive operation rights (<i>note 29</i>)	18,219	17,197	16,118	15,770
Redemption liability, non-current portion (<i>note 29</i>)	—	25,000	47,620	47,740
Others	48	—	—	—
Total	<u>18,267</u>	<u>42,197</u>	<u>63,738</u>	<u>63,510</u>

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* The redemption liability arises from a put option arrangement with non-controlling shareholders of a subsidiary. For detail, please refer to note 16 to the Historical Financial Information.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Long term payable of exclusive operation rights (<i>note 29</i>)	18,219	17,197	16,118	15,770
Others	48	—	—	—
Total	18,267	17,197	16,118	15,770

24. SHARE CAPITAL**Shares**

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid:				
Ordinary shares	27,972	27,972	134,266	134,266

A summary of movements in the Company's share capital is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	25,175	27,972	27,972	134,266
Capital reserve converted to share capital (<i>Note (a)</i>)	—	—	106,294	—
New ordinary shares issued (<i>Note (b)</i>)	2,797	—	—	—
At the end of the year/period	27,972	27,972	134,266	134,266

Notes:

- (a) Pursuant to the resolution of the Company's 2025 Second Extraordinary General Meeting, the Company implemented a capitalisation issue on 30 September 2025. Based on the issued share capital representing 27,972,000 shares prior to the issuance, 106,294,000 shares were allotted from the capital reserve to shareholders at a ratio of 38 new shares for every 10 existing shares. Upon completion of the capitalisation, the Company's share capital was increased to RMB134,266,000.
- (b) On 6 April 2023, the Company's 2023 First Extraordinary General Meeting resolved to conduct a private placement of 2,797,045 ordinary shares to Jiangsu Grand Canal (Yangzhou) Cultural Tourism Development Fund (Limited Partnership) ("Grand Canal Fund") at an issue price of RMB10.21 per share. The newly issued shares were listed and commenced public trading on the National Equities Exchange and Quotations System for Small and Medium sized Enterprises on 7 July 2023, with the full subscription of 2,797,045 shares for an aggregate consideration of RMB28,558,000 (including share issue expenses amounting to RMB140,000) contributed by the Grand Canal Fund.

25. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 7 to 8 of the financial statements.

Capital reserve

The capital reserve represents the share premium, which is the amount paid by shareholders in excess of the par value of the shares issued.

Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiary established in the PRC, the Group is required to allocate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus funds until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the subsidiary, the statutory surplus funds may be used either to offset losses, or to be converted to increase the share capital of the subsidiary provided that the balance after such conversion is not less than 25% of the registered capital of the subsidiary. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

The Company

The amounts of the Company's reserves and the movements therein are presented below:

	Capital reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	1,792	5,398	59,106	66,296
Profit for the year	—	—	46,430	46,430
Issuance of shares	25,621	—	—	25,621
Appropriation to statutory reserves	—	4,643	(4,643)	—
As at 31 December 2023	<u>27,413</u>	<u>10,041</u>	<u>100,893</u>	<u>138,347</u>
	Capital reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	27,413	10,041	100,893	138,347
Profit for the year	—	—	42,863	42,863
Appropriation to statutory reserves	—	4,286	(4,286)	—
As at 31 December 2024	<u>27,413</u>	<u>14,327</u>	<u>139,470</u>	<u>181,210</u>

	Capital reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	27,413	14,327	139,470	181,210
Profit for the year	—	—	46,153	46,153
Capital reserve converted to share capital . .	—	—	(106,294)	(106,294)
Appropriation to statutory reserves	—	4,615	(4,615)	—
Final 2024 dividend declared	—	—	(7,664)	(7,664)
As at 31 December 2025	<u>27,413</u>	<u>18,942</u>	<u>67,050</u>	<u>113,405</u>
	Capital reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2026	27,413	18,942	67,050	113,405
Profit for the period	—	—	32,546	32,546
As at 30 June 2026	<u>27,413</u>	<u>18,942</u>	<u>99,596</u>	<u>145,951</u>

26. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Percentage of equity interest held by non-controlling interests:					
Yangzhou Yuntong	<u>—</u>	<u>47.37%</u>	<u>47.37%</u>	<u>47.37%</u>	<u>47.37%</u>
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit for the year/period allocated to non-controlling interests:					
Yangzhou Yuntong	<u>—</u>	<u>10</u>	<u>3,696</u>	<u>3,519</u>	<u>2,043</u>
Accumulated balances of non-controlling interests at the reporting date:					
Yangzhou Yuntong	<u>—</u>	<u>45,010</u>	<u>48,706</u>	<u>48,529</u>	<u>50,749</u>

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Current assets	—	54,643	52,305	43,312
Non-current assets	—	61,526	69,792	73,003
Current liabilities	—	21,141	19,275	9,180
Non-current liabilities	—	7	—	—

	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
				(unaudited)	

Yangzhou Yuntong

Revenue	—	—	36,077	21,076	19,841
Other income and gains	—	—	474	—	338
Total expenses	—	(21)	(28,704)	(13,646)	(15,867)
(Loss)/Profit for the year/period	—	(21)	7,802	7,430	4,312
Total comprehensive (loss)/income for the year/period . .	—	(21)	7,802	7,430	4,312
Net cash flows (used in)/from operating activities	—	(156)	15,065	16,058	10,978
Net cash flows (used in)/from investing activities	—	(84,423)	(11,797)	(5,388)	15,753
Net cash flows from financing activities	—	95,000	—	—	—
Net increase in cash and cash equivalents	—	10,421	3,268	10,670	26,731

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had no major non-cash transactions.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Long term payable of exclusive operation rights	Dividend declared	Accrued listing expenses included in trade and other payable	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	357	20,431	—	—	20,788
Changes from financing cash flows	(95)	(2,378)	—	—	(2,473)
Interest expense	15	934	—	—	949
At 31 December 2023	277	18,987	—	—	19,264
Changes from financing cash flows	(95)	(1,700)	—	—	(1,795)
Interest expense	9	872	—	—	881
At 31 December 2024	191	18,159	—	—	18,350
Additions	—	—	7,664	13,811	21,475
Changes from financing cash flows	(106)	(1,796)	(7,664)	(13,811)	(23,377)
Interest expense	6	833	—	—	839
At 31 December 2025	91	17,196	—	—	17,287
Additions	—	—	—	4,099	4,099
Changes from financing cash flows	—	(1,817)	—	(687)	(2,504)
Interest expense	2	390	—	—	392
At 30 June 2026	93	15,769	—	3,412	19,274
At 31 December 2024	191	18,159	—	—	18,350
Interest expense	3	412	—	—	415
At 30 June 2025	194	18,571	—	—	18,765

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within financing activities	95	95	106	—	—

28. COMMITMENTS

The Group had the following contractual commitments at the end of the Relevant Periods:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:				
Property, plant and equipment	8,680	7,687	3,911	9,928

29. RELATED PARTY TRANSACTIONS

(a) Names and relationships of the related parties:

Company Name	Relationship with the Group
Yangzhou OCT Industrial Development Co., Ltd.	A affiliate of the controlling shareholder
Yangzhou Wuhe Real Estate Co., Ltd.	A company whose supervisor serving as the Company's director
Yangzhou Quanyu Tourism Co., Ltd.	One of the controlling shareholders
Yao Youguang Technology Group Co., Ltd.	Minority shareholders of a significant subsidiary
Yangzhou Radio and Television News Network Media Co., Ltd.	Minority shareholders of a significant subsidiary
Yangzhou Garden Co., Ltd.	Minority shareholders of a significant subsidiary
Jiangsu YIMI Technology Industry Co., Ltd.	Minority shareholders of a significant subsidiary
Yangzhou Guesthouse Operation and Management Co., Ltd.	Controlled by the Shugang-Slender West Lake Administrative Committee
Yangzhou Hongqiao Fang Hotel Management Co., Ltd.	Controlled by the Shugang-Slender West Lake Administrative Committee
Yangzhou Sanwan Hotel Management Co., Ltd.	Controlled by the Shugang-Slender West Lake Administrative Committee
Slender West Lake Administration Office	Controlled by the Shugang-Slender West Lake Administrative Committee
Shugang-Slender West Lake Administrative Committee	Administrative Committee of the Shugang-Slender West Lake Scenic Area of Yangzhou*

* Prior to 7 July 2023, the responsibilities as a shareholder of Yangzhou Slender West Lake Tourism Development Group Co., Ltd. (揚州瘦西湖旅遊發展集團有限公司), the controlling shareholder of the Company, was fulfilled by the Shugang-Slender West Lake Administrative Committee.

With the approval of the Yangzhou Municipal People's Government on 27 June 2023, the 100% equity interest in Yangzhou Slender West Lake Tourism Development Group Co., Ltd was transferred to Yangzhou Industrial Investment State-owned Holding (Group) Co., Ltd. (揚州市產業投資國有控股(集團)有限責任公司). Yangzhou Industrial Investment State-owned Holding (Group) Co., Ltd. is funded by the People's Government of Yangzhou City, with the responsibilities as shareholder of Yangzhou Slender West Lake Tourism Development Group Co., Ltd. entrusted to the Yangzhou Economic and Technological Development Zone Administrative Committee.

Yangzhou Slender West Lake Tourism Development Group Co., Ltd. completed the relevant registration procedures on 7 July 2023. From that date onward, the Shugang-Slender West Lake Administrative Committee no longer fulfilled the responsibilities as a shareholder of Yangzhou Slender West Lake Tourism Development Group Co., Ltd.

(b) The Group had the following transactions with related parties during the year and period:

Notes	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Purchase of long-term assets					
Yao Youguang Technology Group Co., Ltd.	—	45,434	—	—	—
Purchase of services					
Yangzhou Radio and Television News Network Media Co., Ltd.	(i)	—	1,137	1,140	485
Slender West Lake Administration Office		—	2	—	—
Sightseeing boat services and sightseeing tour bus services					
Slender West Lake Administration Office		—	340	—	—
Yangzhou Guesthouse Operation and Management Co., Ltd.		22	518	334	170
Yangzhou Sanwan Hotel Management Co., Ltd.		—	249	—	47
Yangzhou Hongqiao Fang Hotel Management Co., Ltd.		—	91	62	17
Shugang-Slender West Lake Administrative Committee		—	—	—	4
Revenue from advertising services					
Yangzhou Wuhe Real Estate Co., Ltd. . .		275	—	—	—
Rental expenses to a related party					
Yangzhou Quanyu Tourism Co., Ltd. . .	(ii)	89	88	95	48
Exclusive operation rights					
Shugang-Slender West Lake Administrative Committee	(iii)	1,364	1,364	1,806	909

Notes:

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

- (i) The services received from Yangzhou Radio and Television News Network Media Co., Ltd. consisted of services for promotion and operation.
- (ii) The Group has entered into lease agreements in respect of a building with Yangzhou Quanyu Tourism Co., Ltd. The rental fees under the lease were RMB95,000, RMB95,000, RMB95,000, RMB48,000 and RMB48,000 for the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2025 and 2026, respectively. The Group recognised right-of-use assets of RMB265,000, RMB177,000, RMB88,000 and RMB44,000, and lease liabilities of RMB277,000, RMB191,000, RMB91,000, and RMB93,000 as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively.
- (iii) The Group had long term payable of exclusive operation rights for operating water sightseeing boat services and sightseeing tour buses within the Shugang-Slender West Lake Scenic Area to Shugang-Slender West Lake Administrative Committee.

(c) Outstanding balances with related parties:

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		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables:					
Slender West Lake Administration Office . . .	(i)	—	—	357	—
Lease liabilities, current:					
Yangzhou Quanyu Tourism Co., Ltd.		82	95	91	93
Lease liabilities, non-current:					
Yangzhou Quanyu Tourism Co., Ltd.		195	96	—	—
Trade and other payables:					
Yao Youguang Technology Group Co., Ltd. .		—	14,754	12,044	1,781
Shugang-Slender West Lake Administrative Committee	(ii)	769	962	1,079	—
Slender West Lake Administration Office . . .		—	—	40	88
Yangzhou Garden Co., Ltd.	(iii)	—	20,000	—	—
Yangzhou Radio and Television News Network Media Co., Ltd.		—	—	—	514
Long-term payables:					
Shugang-Slender West Lake Administrative Committee	(ii)	18,219	17,197	16,118	15,770
Yangzhou Garden Co., Ltd.	(iii)	—	—	21,164	21,218
Yao Youguang Technology Group Co., Ltd. .	(iii)	—	10,000	10,582	10,609
Yangzhou Radio and Television News Network Media Co., Ltd.	(iii)	—	10,000	10,582	10,609
Jiangsu Yimi Technology Industry Co., Ltd. .	(iii)	—	5,000	5,292	5,304

Notes:

- (i) The amounts due from related parties are unsecured, interest-free and repayable on demand. The management of the Company considers there is no significant credit risk for amounts due from a related party.
- (ii) The Group had long term payable of exclusive operation rights for operating water sightseeing boat services and sightseeing tour buses within the Shugang-Slender West Lake Scenic Area to Shugang-Slender West Lake Administrative Committee, Yangzhou.
- (iii) The Group has the redemption obligation to buy back the shares of non-controlling shareholders of Yangzhou Yuntong, the redemption liability measured at amortised cost (note 16).

Other than the redemption obligation payables, all the related parties' balances listed above are trade related. As of 30 June 2026, the board of directors of the Company assessed that the redemption obligation maturing on 31 January 2030 would not be settled within the next twelve months.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short term employee benefits	1,256	1,243	1,626	430	604
Post-employment benefits	130	130	163	67	91
Total compensation paid to key management personnel	<u>1,386</u>	<u>1,373</u>	<u>1,789</u>	<u>497</u>	<u>695</u>

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

(e) Transactions with Other Government-related entities in the PRC

The registered shareholders of the Company are Tourism Development Group, Yangzhou Quanyu Tourism Co., Ltd., Grand Canal Fund, and Mr. Lehua Yu.

Tourism Development Group is a wholly-owned subsidiary of Yangzhou Industrial, which is a state-owned enterprise (75% owned by the Yangzhou Government and 25% owned by Yangzhou Economic and Technological Development Zone State Owned Holdings (Group) Co., Ltd.) and ultimately controlled by the Yangzhou Government. Yangzhou Quanyu Tourism Co., Ltd. is owned as to (i) 76.6% by Yangzhou Business Tourism Group and (ii) 23.4% by Slender West Lake Administration Office. Yangzhou Business Tourism Group is a wholly-owned subsidiary of Yangzhou Industrial, which in turn, is ultimately controlled by the Yangzhou Government.

Accordingly, (i) Tourism Development Group, (ii) Yangzhou Industrial, (iii) Yangzhou Quanyu Tourism Co., Ltd., and (iv) Yangzhou Business Tourism Group are controlled by Yangzhou Industrial, which is 25% owned by Yangzhou Economic and Technological Development Zone State Owned Holdings (Group) Co., Ltd., and all of the foregoing, including Yangzhou Economic and Technological Development Zone State Owned Holdings (Group) Co., Ltd. will constitute a group of controlling shareholders of the Company under the Listing Rules.

The Group operates in an economic environment currently predominated by entities controlled, jointly controlled or under significant influence by the PRC government ("**Government-related Entities**"). In addition, the Group is itself part of companies under the Yangzhou Government which is controlled by the PRC government.

In the normal course of business, the Group has entered into various deposits with banks and financial institutions which are Government-related entities. In view of the nature of those transactions, the directors of the Company are of the opinion that quantitative information on the extent of transactions between the Group and the Government-related Entities would not be meaningful.

Other than those disclosed in section (b) above and deposits with banks and financial institutions which are Government-related Entities, the directors of the Company consider that the other transactions with those Government-related Entities are not material to the Group.

(f) Redemption right of the Pre-IPO investor

As more fully explained in the paragraph headed “Special Rights” in the section headed “OUR HISTORY AND DEVELOPMENT” in the Prospectus, on 17 March 2023, Tourism Development Group as one of the controlling shareholders and the Grand Canal Fund as the pre-IPO investor entered into a first supplemental agreement to the Subscription Agreement, pursuant to which Tourism Development Group granted the Grand Canal Fund certain special rights such as right of first refusal, right of first offer, redemption right, nomination right and right to financial compensation in case of acquisition by or merger with third party company(ies). During the Relevant Period, there were no side agreements or arrangements between the Company and Tourism Development Group regarding the redemption right of the Pre-IPO investor, nor had the Company provided any form of guarantee in connection with any potential default or failure by Tourism Development Group to fulfil its obligation relating to such redemption right. The Company was not a signing party to the agreement entered into between the Pre-IPO investor and Tourism Development Group, the Company had no connection or involvement in the arrangements concerning redemption right between the Pre-IPO investor and Tourism Development Group, nor did it bear any obligation to repurchase any shares under such terms. As the Company has no obligations to repurchase the Shares, no liabilities were recognised for the investment from the Pre-IPO investor during the Relevant Period.

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group**As at 31 December 2023***Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade receivables	—	415	415
Financial assets at fair value through profit or loss . .	131,137	—	131,137
Financial assets included in prepayments, other receivables and other assets	—	48	48
Cash and cash equivalents	—	29,873	29,873
Total	131,137	30,336	161,473

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Lease liabilities	277
Financial liabilities included in trade and other payables	1,785
Long-term payables	18,267
Total	20,329

*As at 31 December 2024**Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade receivables	—	258	258
Financial assets at fair value through profit or loss . .	160,913	—	160,913
Financial assets included in prepayments, other receivables and other assets	—	62	62
Cash and cash equivalents	—	41,389	41,389
Total	160,913	41,709	202,622

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Lease liabilities	191
Financial liabilities included in trade and other payables	46,158
Long-term payables	42,197
Total	88,546

*As at 31 December 2025**Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	—	—	611	611
Financial assets at fair value through profit or loss	189,995	—	—	189,995
Financial assets included in prepayments, other receivables and other assets	—	—	120	120
Cash and cash equivalents	—	—	28,875	28,875
Total	189,995	—	29,606	219,601

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Lease liabilities	91
Financial liabilities included in trade and other payables	19,888
Long-term payables	<u>63,738</u>
Total	<u><u>83,717</u></u>

*As at 30 June 2026**Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade receivables	—	2,272	2,272
Financial assets at fair value through profit or loss	180,700	—	180,700
Financial assets included in prepayments, other receivables and other assets	—	23	23
Cash and cash equivalents	<u>—</u>	<u>67,104</u>	<u>67,104</u>
Total	<u><u>180,700</u></u>	<u><u>69,399</u></u>	<u><u>250,099</u></u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Lease liabilities	93
Financial liabilities included in trade and other payables	12,600
Long-term payables	<u>63,510</u>
Total	<u><u>76,203</u></u>

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, trade receivables, lease liabilities, financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits issued by banks in the Chinese mainland. The Group has estimated the fair values of these structured deposits based on expected cash flows from implied yields.

The fair value of long-term payables has been calculated by discounting the expected future cash flows. Management has assessed that the fair values of long-term payables approximate to their carrying amounts.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	—	131,137	—	131,137

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	—	160,913	—	160,913

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active	inputs	(Level 3)	
	(Level 1)	(Level 2)		
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	—	189,995	—	189,995

As at 30 June 2026

	Fair value measurement using			Total RMB'000
	Quoted	Significant	Significant	
	prices in	observable	unobservable	
	active	inputs	(Level 3)	
	(Level 1)	(Level 2)		
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	—	180,700	—	180,700

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of this financial instrument is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	439	439
Financial assets included in prepayments, other receivables and other assets**	48	—	—	—	48
Cash and cash equivalents	29,873	—	—	—	29,873
Total	29,921	—	—	439	30,360

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	278	278
Financial assets included in prepayments, other receivables and other assets**	62	—	—	—	62
Cash and cash equivalents	41,389	—	—	—	41,389
Total	41,451	—	—	278	41,729

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	624	624
Financial assets included in prepayments, other receivables and other assets**	148	—	—	—	148
Cash and cash equivalents	28,875	—	—	—	28,875
Total	29,023	—	—	624	29,647

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	2,392	2,392
Financial assets included in prepayments, other receivables and other assets**	23	—	—	—	23
Cash and cash equivalents	67,104	—	—	—	67,104
Total	67,127	—	—	2,392	69,519

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

At the end of the each of the Relevant Periods, the Group had certain concentrations of credit risk as 15%, 25%, 57%, 67% and 40%, 73%, 87%, 84% of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

Liquidity risk

The Group regularly analyses its liability structure and maturity dates to ensure the maintenance of ample liquidity.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
Lease liabilities	95	186	—	281
Financial liabilities included in trade and other payables	2,668	—	—	2,668
Long-term payables	1,700	7,462	17,055	26,217
Total	4,463	7,648	17,055	29,166

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024				
Lease liabilities	95	91	—	186
Financial liabilities included in trade and other payables	20,000	—	—	20,000
Long-term payables	1,797	7,663	40,057	49,517
Total	21,892	7,754	40,057	69,703

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025				
Lease liabilities	91	—	—	91
Financial liabilities included in trade and other payables	18,858	—	—	18,858
Long-term payables	1,817	55,524	12,999	70,340
Total	20,766	55,524	12,999	89,289

	Within 1 year or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
30 June 2026				
Lease liabilities	91	—	—	91
Financial liabilities included in trade and other payables	12,600	—	—	12,600
Long-term payables	—	55,644	12,999	68,643
Total	12,691	55,644	12,999	81,334

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The ratios as at the end of each of the Relevant Periods were as follows:

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Total assets	<u>195,065</u>	<u>307,354</u>	<u>350,159</u>	<u>383,126</u>
Total liabilities	<u>28,746</u>	<u>98,151</u>	<u>96,630</u>	<u>92,828</u>
Debt-to-asset ratio	<u>15%</u>	<u>32%</u>	<u>28%</u>	<u>24%</u>

33. EVENTS AFTER THE REPORTING PERIODS

There were no material events after the reporting period that may have a material impact on the Company's reported financial position as at 30 June 2026.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.