



# 八馬茶業股份有限公司 Bama Tea Co., Ltd.

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

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號: 6980

# 2025 ANNUAL REPORT 年度報告



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八马茶业



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## CORPORATE INFORMATION

### LEGAL NAME OF THE COMPANY

八馬茶業股份有限公司

### COMPANY NAME IN ENGLISH

Bama Tea Co., Ltd.

### DIRECTORS

#### Executive Directors

Mr. Wang Wenli (*Chairman*)

Mr. Wu Qingbiao (*General manager*)

Mr. Wang Kunheng (*Co-general manager*)

Mr. Wang Wenchao (*Deputy general manager*)

Mr. Wang Wenlong (*Secretary of the Board*)

#### Non-executive Director

Mr. Wang Wenbin

#### Independent non-executive Directors

Ms. Chiu Mun Wai

Ms. Tong Naqiong

Mr. Wang Yuefei

### JOINT COMPANY SECRETARIES

Mr. Wang Wenlong

Mr. Cheng Ching Kit

### AUTHORIZED REPRESENTATIVES

Mr. Wang Kunheng

Mr. Cheng Ching Kit

### BOARD COMMITTEES

#### Audit Committee

Ms. Chiu Mun Wai (*Chairperson*)

Ms. Tong Naqiong

Mr. Wang Yuefei

#### Remuneration Committee

Ms. Tong Naqiong (*Chairperson*)

Mr. Wang Wenbin

Ms. Chiu Mun Wai

#### Nomination Committee

Mr. Wang Wenli (*Chairperson*)

Ms. Tong Naqiong

Mr. Wang Yuefei

#### Strategy Committee

Mr. Wang Wenli (*Chairperson*)

Mr. Wu Qingbiao

Mr. Wang Kunheng

### REGISTERED OFFICE

7th Floor, Huaduyuan Building

Dongmen South Road, Nanhu Street

Luohu District

Shenzhen

Guangdong Province

PRC

# CORPORATE INFORMATION

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

7th Floor, Huaduyuan Building  
Dongmen South Road, Nanhu Street  
Luohu District  
Shenzhen  
Guangdong Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

## H SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## STOCK CODE

6980

## COMPANY WEBSITE

[www.bamatea.com](http://www.bamatea.com)

## LEGAL ADVISOR

### Hong Kong Legal Advisor

Morgan, Lewis & Bockius  
19/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

## COMPLIANCE ADVISOR

UOB Kay Hian (Hong Kong) Limited  
6/F Harcourt House  
39 Gloucester Road  
Hong Kong

## AUDITOR

KPMG  
*Certified Public Accountants  
Public Interest Entity Auditor  
registered in accordance with the  
Accounting and Financial  
Reporting Council Ordinance*  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

## PRINCIPAL BANKS

### China Merchants Bank

Shenzhen Caiwuwei Sub-branch  
Guosu Shiji Building  
Baoan South Road  
Luohu District  
Shenzhen  
Guangdong Province  
PRC

### China Construction Bank

Shenzhen Chengdong Sub-branch  
1st Floor, Huaduyuan Building  
Dongmen South Road, Nanhu Street  
Luohu District  
Shenzhen  
Guangdong Province  
PRC

## FOUR YEAR FINANCIAL SUMMARY

### HIGHLIGHTS OF THE FINANCIAL POSITIONS

A summary of the results, assets and liabilities of the Group for the last four financial years is set out below:

	For the year ended December 31,			
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,817,540	2,122,305	2,143,259	<b>2,196,348</b>
Gross profit	969,515	1,109,883	1,178,553	<b>1,220,763</b>
Profit and total comprehensive income for the year	165,849	205,728	224,201	<b>222,338</b>
Basic and diluted earnings per share (RMB)	2.19	2.71	2.95	<b>2.86</b>

	For the year ended December 31,			
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	680,922	811,978	725,127	<b>707,765</b>
Total current assets	781,321	1,003,033	1,075,762	<b>1,790,899</b>
Total current liabilities	537,078	731,102	531,758	<b>672,079</b>
Total non-current liabilities	167,902	151,318	141,659	<b>125,537</b>
Total equity	757,263	932,591	1,127,472	<b>1,701,048</b>

On October 28, 2025, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The Company has published its financial information since 2022 in the Prospectus, therefore the table above sets out its financial highlights for the four accounting years since 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

We are a leading and well-known tea brand in China, dedicated to introducing to people around the world the well being and joy brought by tea.

We have developed a comprehensive product matrix encompassing not only a full spectrum of tea categories including Oolong tea, black tea, dark tea, white tea, green tea, and yellow tea, but also extending to tea-related derivatives such as tea ware, tea snacks, and tea beverages. In addition, we have introduced business and social tea spaces, striving to deliver a holistic tea experience to consumers.

As a member unit of the National Technical Committee on Tea of the Standardization Administration of China and a member unit of the Fujian Provincial Technical Committee on Tea Industry Standardization, we have cumulatively led or participated in the formulation of 29 Chinese tea industry standards and have successfully obtained 16 system certifications, underscoring our high standards in standardization output and quality control.

Rooted in our commitment to quality and deep cultivation of the tea industry, our brand and products have garnered widespread recognition in both the market and the industry. During the Reporting Period, we received the following honors:

- China Tea Marketing Association and China Economic Information Service of Xinhua News Agency – First Place of 2025 China Tea Enterprise Brand Survey Results (Top 50);
- International Academy of Brand – List of World Tea Enterprise Brands (Top 100), ranking 1st among Chinese tea enterprises;
- Chnbrand – China Customer Satisfaction Index (C-CSI) Brand, ranking the first place in customer satisfaction among tea chain stores for three consecutive years (2023-2025);
- Ministry of Industry and Information Technology – 2025 List of China Consumer Top Brands;
- Fujian Provincial Department of Agriculture and Rural Affairs – 2025 Key Provincial Leading Enterprise in Agricultural Industrialization;
- China Tea Marketing Association – 2025 Backbone Enterprise with Comprehensive Influence in the Tea Industry;
- China Tea Marketing Association – 2025 Key Enterprise in the Tea Industry.

We have established a “direct-sales + franchise” and “online + offline” omni-channel model, delivering high-quality premium Chinese tea to consumers through a nationwide network of physical stores and comprehensive online platforms. In 2025, while consolidating our existing advantageous channels, we actively explored incremental markets, including developing key account (KA) channels, to which we made direct sales offline, thereby further enhancing our marketing and sales network.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company's total revenue was approximately RMB2,196.3 million, representing an increase of approximately RMB53.0 million, or 2.5%, compared to RMB2,143.3 million in 2024. During the Reporting Period, the Company's total gross profit was approximately RMB1,220.8 million, representing an increase of approximately RMB42.2 million, or 3.6%, compared to the gross profit of approximately RMB1,178.6 million in 2024.

### (I) Our Store Network

We have established a nationwide store network. By the end of 2025, we had a total of 3,773 offline stores, representing a net increase of 269 stores from 3,504 stores at the beginning of the year. Our stores are distributed across all provinces, autonomous regions, and municipalities in mainland China, covering 269 prefecture-level cities. The following table sets forth our store types for the periods indicated:

Store Types	As at December 31, 2025	As at December 31, 2024
<b>Self-operated stores</b>		
Beginning of the Year	249	316
Net change in stores	(14)	(67)
End of the Year	235	249
<b>Franchised stores</b>		
Beginning of the Year	3,255	3,054
Net change in stores	283	201
End of the Year	3,538	3,255
<b>Total</b>	<b>3,773</b>	<b>3,504</b>

By the end of the Year, we had 3,773 offline stores located in first-tier cities, new first-tier cities, second-tier cities, third-tier and below cities, accounting for 10.7%, 21.0%, 28.8%, and 39.6% of the total number of the stores, respectively, which achieves comprehensive coverage across seven major regions, including Eastern China, Northern China, Central China, Southern China, Northwestern China, Southwestern China and Northeastern China.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the distribution of our stores as of the dates indicated:

City Level	As at December 31, 2025		As at December 31, 2024	
	Number of Stores	Percentage	Number of Stores	Percentage
First-tier cities	404	10.7%	380	10.8%
New first-tier cities	791	21.0%	729	20.8%
Second-tier cities	1,085	28.8%	1,015	29.0%
Third-tier and below cities	1,493	39.6%	1,380	39.4%
<b>Total</b>	<b>3,773</b>	<b>100.0%</b>	<b>3,504</b>	<b>100.0%</b>

The following table sets forth our offline stores as of the dates indicated:

	As at December 31, 2025		As at December 31, 2024	
	Number of Stores	Percentage	Number of Stores	Percentage
Eastern China	1,353	35.9%	1,263	36.0%
Northern China	671	17.8%	629	18.0%
Southern China	553	14.7%	512	14.6%
Central China	441	11.7%	433	12.4%
Northwestern China	350	9.3%	310	8.9%
Southwestern China	222	5.9%	208	5.9%
Northeastern China	183	4.9%	149	4.3%
<b>Total</b>	<b>3,773</b>	<b>100.0%</b>	<b>3,504</b>	<b>100.0%</b>

*Note:*

- (1) As of December 31, 2025, we did not have offline stores located in Hong Kong Special Administrative Region, Macao Special Administrative Region or Taiwan

## MANAGEMENT DISCUSSION AND ANALYSIS

Our stores were primarily located in Eastern China, Northern China, and Southern China. During the Reporting Period, we recorded a net increase of 156 stores in second-tier and above cities, representing a year-on-year growth of 7.3%, and 113 stores in third-tier and below cities, representing a year-on-year growth of 8.2%. While increasing store density in existing advantageous regions, we continue to enhance business district coverage and brand exposure in markets with low store density, insufficient coverage, or where we have yet to establish a presence.

Franchise channels serve as our primary business model. Leveraging our deeply rooted brand influence, standardized store operations, and mature supply chain system, we have attracted a wide range of tea industry professionals to join us. As of December 31, 2025, we had 1,250 franchisees, 791 of which have cooperated with us for over three years. The table below sets forth the number of our franchisees which operated more than 100, 50 and 10 franchised stores as of December 31, 2025:

	<b>More than 100 Stores</b>	<b>More than 50 Stores</b>	<b>More than 10 Stores</b>
Number of franchisees	3	10	50

Our self-operated stores were mainly located in Shenzhen, Quanzhou and Xiamen cities. The Company actively pursued innovative change in self-operated stores for the Year. On one hand, we continued to implement the strategy of closing inefficient stores during the Year. Meanwhile, we steadily advanced the image renewal of its core stores and launched its eighth-generation store image, which integrates spatial innovation, cultural immersion, traditional connotations, and modern design. Through product displays with esthetic appeal and immersive tea-drinking experience scenarios, we optimized the user experience, enhanced the in-store experience, and drove consumption growth at its stores. In addition, we also actively guided and supported the image updates of our franchised stores to enhance their overall customer traffic through a unified brand identity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Our Online Business

During the Reporting Period, the Company's online business continued to gain momentum. On one hand, we maintained a rapid pace of new product launches while increasing resource allocation to steadily expand our sales scale on major e-commerce platforms such as JD.com (京東), Tmall (天貓), and Douyin (抖音), achieving outstanding results and awards on multiple platforms:

- Ranked first among all Oolong tea leaf products in terms of gross sales amount during each annual Single Day sales event of Tmall for eleven consecutive years from 2015 to 2025;
- Ranked first from 2023 to 2025 in terms of GMV among all stores that sell tea on JD.com;
- Douyin Mall 2025 Annual 618 Outstanding Brand Award; and
- Golden Wheat Award (2025 Best Influential Brand Award).

We actively seize the increasingly diversified and personalized demands of consumers. While strengthening traditional shelf-based e-commerce, we also continuously introduce high-quality online best-selling products and complement them with new marketing approaches such as content-driven and social e-commerce like Douyin and Xiaohongshu. Through operational strategies including short videos, live-streaming sales, influencer interactions, and content-driven product discovery, we consistently enhance consumers' product recognition and brand awareness. By the end of the Year, our online channels attracted 41 million followers and had over 26 million members, with both customer base and market penetration steadily increasing. Through implementing the above strategy, the GMV of our online channels reached RMB875.5 million during the Reporting Period, representing an increase of RMB37.2 million compared to RMB838.3 million in 2024, which is a year-on-year growth of 4.4%, reflecting a good development momentum.

## (III) Channel and Operational Innovation

During the Year, the Company continued to innovate across its channels, ecosystem and operations to promote online-offline integration. In terms of channels, we deepened our engagement with KA, injecting new impetus into our performance growth. Regarding our ecosystem, we reshaped the spatial narrative of our stores, seamlessly integrating the art of tea drinking with the spatial experience, to create urban living room that stimulate consumer vitality. Operationally, we actively responded to the new trend of digital operations, and enhanced our local lifestyle service offerings. Building upon the traditional group-buying traffic, we systematically entered instant retail platforms including "Taobao Flash Sale," "Meituan Flash Delivery," and "JD Now," accelerating online-offline consumption conversion. During the Year, our GMV from instant retail achieved a year-on-year increase of 90%.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) Our Brands and Products

We have implemented a multi-brand strategy to enhance market share through differentiation.

The revenue of our major brands for the Year are as follows:

Brand Types	For the Year Ended December 31, 2025 (RMB million)	For the Year Ended December 31, 2024 (RMB million)
Bama	1,955.9	1,881.9
Xinjihao	189.6	233.2
Wanshanhong	42.4	21.5
<b>Total</b>	<b>2,187.9</b>	<b>2,136.6</b>

The core brand “Bama” constitutes our primary source of revenue, which recorded a revenue of RMB1,955.9 million for the Year, maintaining stable growth. “Xinjihao,” positioned in the aged Pu’er tea segment, recorded a revenue of RMB189.6 million during the Year. “Wanshanhong,” targeting younger demographics, achieved rapid development with revenue of RMB42.4 million during the Year, leveraging its advantage of diversified flavors and affordable pricing.

In terms of products, we focused on building a multi-level product structure. First, we focused on star products and continuously deepened core series such as the “Dinghong Black Tea (鼎紅紅茶)”, “Niuyi Rock Tea (牛一岩茶)”, and “Saizhenzhu Tieguanyin (賽珍珠鐵觀音)” to strengthen category benchmarks and enhance brand equity. Second, we focused on channel-specific customization, developing exclusive products for KA channels to explore differentiated consumption scenarios. Meanwhile, we seized marketing nodes, steadily launching new products such as gift sets, combinations, and wellness products during traditional festivals and e-commerce promotional events such as the 618 Shopping Festival and Double 11 Shopping Festival to maintain market momentum. Additionally, we continuously advanced SKU streamlining, optimized inventory, and achieved cost reduction and efficiency enhancement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (V) Our Supply Chain System

We have stable upstream suppliers and a robust supply chain management mechanism. Through full life-circle management of suppliers and a one-box-one-code anti-counterfeiting and traceability system, we achieve comprehensively traceable quality control from raw materials to production to finished products, ensuring product quality. We obtained certifications including ISO 9001, organic product certification (OGA), green food certification, and FSSC 22000.

Leveraging our smart factories and automated production lines in Anxi and Wuyishan, during the Reporting Period, revenue generated from the sale of our self-manufactured products amounted to RMB1,289.6 million, representing a year-on-year increase of 21.6% compared to RMB1,060.6 million in 2024; while revenue from products manufactured by third parties on OEM basis was RMB898.3 million, representing a year-on-year decrease of 16.5% compared to RMB1,076.0 million in 2024. The proportion of sales attributable to self-manufactured products rose from 49.6% in 2024 to 58.9%, demonstrating a continued expansion in the scale of sales of our self-manufactured products.

Furthermore, through our smart warehousing system, safety stock mechanisms, and efficient logistics system, we maintain flexible inventory levels while ensuring timely product delivery, thereby enhancing customer satisfaction.

### (VI) Strengthening Brand Reputation and Enhancing Consumer Mindshare

During the Reporting Period, we participated in international events such as the “International Tea Day” organized by the Food and Agriculture Organization of the United Nations and the Shanghai Cooperation Organization Tianjin Summit, and continuously organised diverse brand promotion activities including touring tasting sessions, themed tea gatherings, cross-sector collaborations and tea king competitions. These efforts further amplified our brand voice and enhanced our market influence. In the Year, we won the first place in the “2025 China Tea Enterprise Brand Survey Results TOP 50” jointly evaluated by the China Tea Marketing Association and Xinhua News Agency China Economic Information Service, and ranked first in China and second globally for corporate brands in the “World Tea Brand Evaluation List”. Our brand reputation continued to enhance, boosting performance growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OUTLOOK

According to a report by Frost & Sullivan, the projected market size of China's whole-leaf tea market is RMB339.4 billion for the Year, and is projected to grow to RMB356.4 billion for the year of 2026, maintaining a steady growth trend. Meanwhile, increasingly diverse consumer groups, the rise of health trends and wellness concepts, and the pursuit of diverse tea beverages driven by social media and urban culture are bringing new opportunities to the tea leaf market. Facing the vast tea market, we set forth the following outlook:

**(1) Optimizing the Store Network and Densifying Coverage in Untapped Markets**

Looking ahead, the Company will continue to explore and optimize its offline store network, Building on its strengths in stronghold regions such as Eastern China and Southern China, the Company will continue to explore incremental markets, while striving to enhance nationwide store penetration. For advantageous regions, we will enhance consumer experience through store image renovations and scene upgrades. For untapped markets with huge potential but insufficient layout, we will maintain a reasonable store opening pace, and densify the precise layout in key cities and key business districts to address gaps in the network, thus steadily advancing the coverage of the store network.

**(2) Accelerating the Promotion of Spatial Services and Enhancing Store Experience**

We will continuously renew and upgrade self-operated offline stores to enhance store attractiveness, and encourage and guide franchised stores to upgrade simultaneously. We will promote the "Urban Living Room" service, transforming traditional stores into "tea culture experience spaces" to enable consumers to enjoy immersive tea-drinking experiences and comfortable business social spaces, in turn boosting store product sales. Meanwhile, we will combine targeted digital marketing to drive traffic to stores and enhance user stickiness.

**(3) Exploring New Channels and Accelerating Online-Offline Integration**

We are committed to becoming a benchmark enterprise in the real-time retail industry, driving business growth through continuous innovation and consolidating our leading position in the market. We will deepen our strategic cooperation with mainstream e-commerce platforms, and strengthen the exploration of new channels such as content e-commerce, community e-commerce, and leading KAs to reach and achieve coverage across different scenarios. Meanwhile, we will actively lay out instant retail formats including "Taobao Flash Sale", "Meituan Flash Delivery", and "JD Now", leveraging the exposure advantages of online platforms and digital marketing as well as precision marketing through live streaming sales to enhance terminal reach and deepen online-offline integration, thereby creating incremental performance.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (4) **Implementing a Multi-Brand Strategy and Continuously Optimizing the Product Matrix**

In terms of brand, we will implement a multi-brand strategy to build differentiated competitive advantages, strengthen our brand moat, and continuously enhance the brand's national awareness and global influence. We will conduct in-depth analysis of consumer profiling, cultivate a diverse customer base, actively incubate distinctive sub-brands, and build a brand matrix that spans different consumption scenarios, consumer groups, and price segments, thereby creating a synergistic force for brand development.

In terms of products, we will also continuously optimize the product matrix. On one hand, we will focus on and create more star products comparable to the "Saizhenzhu" series to deepen brand recognition. On the other hand, we will keep pace with market demand and consumption trends, launch popular categories such as herbal tea and cold-brew tea, and extend the development of derivative products, including tea sets, tea snacks, and dietary supplements containing concentrated tea extracts to perfect our full-category product layout.

### (5) **Refining the Layout of Intelligent Factories with Digitalization-Driven Supply Chain Upgrades**

Based on the current utilization of production capacity, over the next three to five years, we will invest in and construct multiple intelligent and digital factories in major core tea-producing regions such as Anxi, Wuyishan, and Yunnan Province to steadily expand production capacity, enhance independent production capabilities, and optimize the product structure to increase profit margins. Meanwhile, we will simultaneously plan intelligent warehousing and logistics centers to increase warehouse space and improve logistics turnover efficiency, ensuring consistent product quality and efficient delivery.

On this basis, we will leverage digitalization as a key driver to optimize the "smart tea garden + smart factory + smart warehousing" supply chain system. Through technologies such as big data and the Internet of Things, we will achieve digital control over the entire process from raw material processing and warehousing logistics to end-market sales, and enhance the supply chain's responsiveness and level of refined operations, providing robust supply chain support for the enterprise's large-scale expansion and global development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Results of Operation

#### Revenue

In 2025, the Company's total revenue was RMB2,196.3 million, representing a year-on-year increase of 2.5% compared to approximately RMB2,143.3 million in 2024.

#### 1. Revenue by sales channels

We have established an omni-channel marketing network that integrates and complements online and offline channels, providing consumers with convenient and seamless shopping experiences. The following table sets forth our revenue by sales channels for the periods indicated:

Channel Types	For the Year Ended December 31, 2025		For the Year Ended December 31, 2024	
	(RMB'000)	Percentage (%)	(RMB'000)	Percentage (%)
Offline channels	1,481,534	67.4	1,443,776	67.4
Online channels	706,359	32.2	692,841	32.2
Other revenue <sup>(1)</sup>	8,455	0.4	6,642	0.4
<b>Total</b>	<b>2,196,348</b>	<b>100.0</b>	<b>2,143,259</b>	<b>100.0</b>

Note:

- (1) Other revenue primarily includes rentals from investment properties, and revenue generated from rendering pre-opening training services and tea lounge services.

During the Reporting Period, the Company's revenue was primarily from offline channels (including self-operated and franchised stores). Overall revenue from these channels remained stable and achieved modest growth, primarily driven by increased procurement volumes from franchisees and contributions from customized procurement from KA channels. Meanwhile, the Company continued its strategy of closing loss-making self-operated offline stores, resulting in a corresponding decline in revenue due to the reduction in the total number of self-operated offline stores.

Online channels also made a noticeable contribution to revenue, primarily driven by the sustained efforts in online business of Wanshanhong sub-brand and the continuous digital marketing initiatives, live-streaming sales, and influencer endorsements which increased product exposure and consumer appeal during the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Revenue by products

The following table sets forth our revenue by products for the periods indicated:

Product Types	For the Year Ended December 31, 2025		For the Year Ended December 31, 2024	
	(RMB'000)	Percentage (%)	(RMB'000)	Percentage (%)
<b>Sales of tea-leaf products</b>				
Oolong tea	686,214	31.2	640,910	29.9
– Among which:				
Tieguanyin	293,884	13.4	285,806	13.3
– Among which:				
Wuyi Yan Cha	362,145	16.5	321,709	15.0
Dark tea	202,896	9.2	231,938	10.8
– Among which: Pu'er	200,253	9.1	229,569	10.7
Black tea	446,077	20.3	416,148	19.4
Green tea	124,538	5.7	127,460	5.9
White tea	192,605	8.8	222,247	10.4
Tea combination set	204,595	9.3	176,135	8.2
Other tea leaves	96,441	4.4	86,193	4.0
<b>Subtotal</b>	<b>1,953,366</b>	<b>88.9</b>	<b>1,901,031</b>	<b>88.6</b>
<b>Non-tea-leaf products</b>				
Tea ware	114,615	5.2	130,507	6.1
Tea snacks	103,074	4.7	81,206	3.8
Other products <sup>(1)</sup>	16,838	0.8	23,873	1.1
<b>Subtotal</b>	<b>234,527</b>	<b>10.7</b>	<b>235,586</b>	<b>11.0</b>
<b>Other revenue<sup>(2)</sup></b>				
Income from investment properties	1,053	0.1	1,216	0.1
Others	7,402	0.3	5,426	0.3
<b>Subtotal</b>	<b>8,455</b>	<b>0.4</b>	<b>6,642</b>	<b>0.4</b>
<b>Total</b>	<b>2,196,348</b>	<b>100.0</b>	<b>2,143,259</b>	<b>100.0</b>

Notes:

- (1) Other products primarily include liquor manufactured by third parties and derivative products such as tea beverages, incense sticks and tea toys.
- (2) Other revenue primarily includes rentals from investment properties, and revenue generated from rendering pre-opening training services and tea lounge services.

## MANAGEMENT DISCUSSION AND ANALYSIS

Tea-leaf products are our primary source of revenue. Our revenue in 2025 increased by 2.8% year-on-year compared to 2024, reflecting a relatively stable increase, among which, tea combination set, Oolong tea and black tea showed the most significant growth. Revenue from the sales of our non-tea-leaf products remained relatively stable.

### ***Gross Profit and Gross Profit Margin***

During the Reporting Period, our gross profit was RMB1,220.8 million, representing an increase of 3.6% compared to approximately RMB1,178.6 million in 2024, which is basically in line with revenue growth. Our gross profit margin for the Year was 55.6%, representing a slight increase compared to 55.0% of the previous year, mainly due to the increase in the proportion of our self-produced products during the Reporting Period, which led to the increase in gross profit margin.

### ***Other Income***

During the Reporting Period, our other income was RMB18.1 million, representing a year-on-year increase of 11.5% compared to RMB16.2 million in 2024, mainly due to the increase in government subsidies we received.

### ***Selling and Marketing Expenses***

During the Reporting Period, our selling and marketing expenses were RMB700.3 million, representing an increase of 1.2% compared to RMB692.2 million in 2024, among which, advertising and promotion expenses increased from RMB276.2 million in 2024 to RMB303.3 million, primarily due to our proactive efforts to enhance brand reputation to increase brand exposure. Staff costs decreased from RMB247.6 million in 2024 to RMB241.9 million in 2025, primarily due to the implementation of the strategic store closure plan by the Company, which reduced related personnel costs.

### ***Administrative Expenses***

During the Reporting Period, our administrative expenses were RMB215.1 million, representing a year-on-year increase of 29.8% compared to RMB165.7 million in 2024, mainly because we incurred listing expenses related to the Global Offering during the Reporting Period, and the professional service fees, which were mainly in connection with the strategic consultancy services provided by a third party, increased during the Reporting Period as our business grew.

### ***Finance Costs***

During the Reporting Period, our finance costs was RMB8.1 million, representing a year-on-year decrease of 15.6% compared to RMB9.6 million in 2024, mainly due to the Company's continued strategy of closing loss-making self-operated stores, which resulted in recognizing less lease liabilities.

### ***Profit Before Taxation***

As a result of the foregoing, during the Reporting Period, our profit before taxation was RMB300.7 million, representing a year-on-year decrease of 2.5% compared to RMB308.4 million in 2024.

### ***Income Tax Expense***

During the Reporting Period, our income tax expense was RMB78.4 million, representing a year-on-year decrease of 6.9% compared to RMB84.2 million in 2024, mainly due to a deferred tax income of RMB8.7 million in 2025, as compared with a deferred tax expense of RMB0.7 million in 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Non-IFRS Adjusted Profit for the Year*

To supplement the consolidated financial statements of the Group prepared in accordance with the IFRSs, the Company also applies non-IFRS adjusted net profit as an additional financial measure, which provides a clearer assessment of financial performance by excluding items that we consider not to be indicators of business performance. The Company believes that such measure helps to reflect the profit for the Year from normal operations after excluding the potential impact of listing expenses and other related costs.

“Adjusted profit for the Year” is not a term defined by the IFRSs, and the Group’s calculation method may differ from that of other peer companies. Such measure has certain limitations as an analytical tool, as it does not cover all items affecting the Group’s profit for the 2025 financial year. Therefore, it should not be considered in isolation and cannot replace performance analysis prepared in accordance with the IFRSs.

The following table sets out the calculation process of the Group’s non-IFRS adjusted profit for the year as of the year indicated:

	For the Year Ended	
	December 31,	
	2025	2024
	RMB'000	RMB'000
Profit for the year	222,338	224,201
Listing expenses	25,297	13,978
Tax effects of non-IFRS adjustments	(6,324)	(3,495)
Adjusted net profit (non-IFRS measure)	241,311	234,684
Adjusted net profit margin (%) (non-IFRS measure)	11.0	10.9

### *Profit for the Year*

During the Reporting Period, our profit for the Year was RMB222.3 million, representing a year-on-year decrease of 0.8% compared to RMB224.2 million in 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Inventories

Our inventories primarily consist of raw materials, work in progress, and finished goods and goods in transit. The following table sets forth a summary of our balance of inventories as of the dates indicated:

	For the Year Ended	
	December 31,	
	2025	2024
	RMB'000	RMB'000
Raw material	110,430	47,467
Work in progress	56,581	46,411
Finished goods and goods in transit	412,180	345,099
	579,191	438,977

Our inventories increased from RMB439.0 million as of December 31, 2024 to RMB579.2 million as of December 31, 2025, primarily due to (i) an increase in raw material of RMB62.9 million was in line with the product strategy plan; and (ii) an increase in finished goods and goods in transit of RMB67.1 million, primarily because the Group increased its finished goods inventory and goods in transit in the fourth quarter of 2025 to ensure market supply during the holiday due to the later Spring Festival in 2026, which postponed the peak sales season to January-February 2026.

The following table sets out the aging analysis of our inventories for the periods indicated:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Within 12 months	356,548	252,296
12 months to 24 months	60,565	57,402
24 months to 36 months	41,986	49,183
Over 36 months	120,092	80,096
<b>Total</b>	<b>579,191</b>	<b>438,977</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

The balances of inventories aged within 12 months increased from RMB252.3 million as of December 31, 2024 to RMB356.5 million as of December 31, 2025, mainly due to the Group's increased finished goods inventory and goods in transit in the fourth quarter of 2025 in conjunction with the peak sales season of 2026.

The balances of inventories aged between 12 and 24 months increased from RMB57.4 million as of December 31, 2024 to RMB60.6 million as of December 31, 2025, remaining stable.

The balances of inventories aged between 24 and 36 months decreased from RMB49.2 million as of December 31, 2024 to RMB42.0 million as of December 31, 2025, which was mainly due to the continued aging of some Pu'er tea leaves purchased in 2022 during the Year, which resulted in the aging deferred to more than 36 months.

The balances of inventories aged more than 36 months increased from RMB80.1 million as of December 31, 2024 to RMB120.1 million as of December 31, 2025, which was mainly due to the fact that some Pu'er tea from 2022 and earlier years were still in the aging process to enhance their value and promote future sales. These inventories were carried forward to this range, and have not yet been sold or disposed of. As of December 31, 2025, management has not identified any material issues in relation to inventory provisions.

### **Trade and Other Receivables**

The current portion of our trade and other receivables primarily represent (i) trade receivables, which primarily represent the outstanding amounts due to us from e-commerce platforms, third party payment platforms, such as WeChat Pay and Alipay, and shopping malls; (ii) deposits, which primarily represent our deposits we made to landlord for leasing assets, and made to e-commerce platforms for on-line sales; (iii) value-added tax recoverable, which primarily represent certain tax recoverable in relation to expenditure on inventories and property, plant and equipment that we procure; (iv) amount due from local authority, which primarily represent the prepayment amount that is expected to be refunded by local authority resulting from the termination of our involvement in the joint development project of a building; and (v) prepayments to vendors.

The non-current portion of our trade and other receivables consist of (i) rental deposits, which primarily represent the deposits we made to landlords and operators of shopping malls and supermarkets pursuant to our relevant agreements with them in connection with leasing properties for our self-operated offline stores; and (ii) prepayment for purchase of property, plant and equipment and right-of-use assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth a breakdown of our trade and other receivables:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
<b>CURRENT</b>		
Trade receivables, net of loss allowance	85,740	64,039
Deposits	19,291	18,897
Value-added tax recoverable	5,629	11,464
Amounts due from local authorities	66,410	66,410
Other receivables	5,526	3,554
Payment for listing expenses	–	6,962
Prepayments to vendors	39,709	22,136
	222,305	193,462
<b>NON-CURRENT</b>		
Rental deposits	7,941	8,197
Prepayments for purchase of property, plant and equipment and right-of-use assets	926	953

As of December 31, 2025, the current portion of our trade and other receivables was RMB222.3 million, representing a year-on-year increase of 14.9% from RMB193.5 million as of December 31, 2024. This was primarily due to the increased sales to a customer with credit term and an increase in prepayments to vendors in connection with promotion services.

As of the end of 2025, we had amounts due from local authorities of RMB66.4 million, which was collected in February 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

As of December 31, 2024 and 2025, the aging analysis of trade receivables (which are included in trade and other receivables), based on the revenue recognition date and net of provision for bad debts, is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	85,407	63,502
More than 1 year but within 2 years	222	515
More than 2 years but within 3 years	111	22
	85,740	64,039

### Trade and Other Payables

Our trade and other payables primarily consist of (i) trade payables, which primarily represent our obligations to pay for goods that have been acquired in the ordinary course of business from our suppliers; (ii) deposits, which primarily represent deposits from franchisees; (iii) payables for purchase of property, plant and equipment; (iv) staff cost payables, which primarily represent our obligations to pay the salaries of employees; (v) other taxes payables, which primarily represent our tax payables other than enterprise income taxes; (vi) refund liabilities arising from sales rebate, which primarily represent our obligations to pay sales rebates to franchisees. We may provide sales rebates to franchisees who satisfy relevant requirements according to our agreements or franchisees incentivizing policies from time to time; and (vii) other payables, which primarily represent payables for promotion services provide by third parties. The typical credit term granted to us by our suppliers generally ranged from 30 to 60 days.

The following table sets forth our trade and other payables as of the dates indicated:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	273,932	155,749
Deposits	82,198	74,385
Payables for purchase of property, plant and equipment	20,339	30,230
Staff cost payables	49,678	50,330
Other taxes payables	24,725	22,270
Dividend payable	56	50
Refund liabilities arising from sales rebate	14,121	12,726
Amounts due to related parties	2,275	1,734
Other payables	39,804	34,972
	507,128	382,446

## MANAGEMENT DISCUSSION AND ANALYSIS

All of the payables are expected to be settled within one year or are repayable on demand.

Our trade and other payables increased from RMB382.4 million as of December 31, 2024 to RMB507.1 million as of December 31, 2025, primarily due to the expansion of our business for the Year, which led to an increase in our procurement from suppliers.

As of the end of the Reporting Period, the aging analysis of our trade and other payables by invoice date is as follows:

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	273,473	155,530
Over 1 year	459	219
	<b>273,932</b>	<b>155,749</b>

### Contract Liabilities

Our contract liabilities primarily consist of (i) customer loyalty scheme, which primarily represents estimated loyalty points arising from our membership reward system, which could be redeemed and used in future purchases in our WeChat mall by members of our membership reward system; (ii) prepaid card, which primarily represents our obligation to sell products to customers for which we have received consideration from them in the form of prepaid cards; and (iii) advanced payment received, which primarily represents advanced payment from our franchisees for purchasing products from us.

Our contract liabilities increased from RMB53.1 million as of December 31, 2024 to RMB55.1 million as of December 31, 2025, remaining relatively stable.

### Indebtedness

As of December 31, 2025, our indebtedness mainly consists of lease liabilities. Our lease liabilities primarily relate to our leases for self-operated offline stores, warehouses and offices.

Our lease liabilities decreased from RMB183.4 million as of December 31, 2024 to RMB169.0 million as of December 31, 2025, primarily due to our further implementation of the strategy of closing loss-making stores, resulting in a reduction in the number of self-operated stores.

### Significant Investment

As at December 31, 2025, the Group did not have any significant investment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Material Acquisitions and Disposals

For the year ended December 31, 2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

## Future Plans for Material Investments or Capital Assets

As at December 31, 2025, save as disclosed in this annual report and the Prospectus, the Group did not have specific plans for material investments or acquisitions of capital assets.

## Charge or Pledge of Assets

As at December 31, 2025, the Group did not have any charge or pledge of assets (December 31, 2024: Nil).

## Gearing Ratio

The gearing ratio equals total borrowings divided by total equity at the end of the Year, multiplied by 100%. As of December 31, 2025, the Group's gearing ratio is not applicable as we did not have any borrowings as of December 31, 2025 (December 31, 2024: not applicable, as we did not have any borrowings as of December 31, 2024).

## Capital Structure

The H Shares were successfully listed on the Main Board of Stock Exchange on October 28, 2025. There has been no change in the capital structure of the Company from the Listing Date to December 31, 2025. As of December 31, 2025, the share capital of the Company comprises of H Shares and Domestic Unlisted Shares. As of December 31, 2025, the total equity of the Group was approximately RMB1,701.0 million (December 31, 2024: approximately RMB1,127.5 million).

## Liquidity and Capital Resources

Our use of cash primarily related to the operating activities and capital expenditure. During the Reporting Period, we primarily financed our operations through cash generated from our operating activities.

As of December 31, 2025, we had cash and cash equivalents of RMB889.1 million (December 31, 2024: RMB347.2 million).

The Group adopts a prudent financial management approach to its treasury policy so as to ensure that the Group's liquidity structure (composed of assets, liabilities and other commitments) is able to meet its funding requirements at all times.

## Contingent Liabilities

As at December 31, 2025, the Group did not have any contingent liabilities (December 31, 2024: none).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Capital Expenditures

Our capital expenditures mainly consisted of expenditures on property, plant and equipment and intangible assets.

Our capital expenditures decreased from RMB101.8 million as of December 31, 2024 to RMB64.7 million as of December 31, 2025, primarily due to decrease in payment for purchases of property, plant and equipment.

We expect that cash from operating activities, the net proceeds from the Global Offering and bank borrowings available to us will continue to fund these capital expenditures.

### Currency Risk

The Group is not exposed to significant foreign currency risk since the financial assets and liabilities denominated in currencies other than the functional currencies (RMB) of the Group are not significant. As such, we currently have no foreign currency hedging policy.

### Human Resources, Employee and Remuneration Policy

As at December 31, 2025, the Group had a total of 1,950 employees. For the Year, the Group's total staff remuneration amounted to RMB356.7 million.

We believe that our success depends in part on our ability to attract, recruit and retain quality employees. We have established a salary management system that takes into account both external competitiveness and internal fairness, which helps ensure employee stability and loyalty. In addition, we have established an effective training system. Through courses on, among others, product expertise, employee career management, store operations and sales skills, we continuously improve our employees' professional skills. We created a variety of trainings and programs in connection with various aspects of our businesses, such as product launches, online tea tastings and online knowledge competitions, to offer our employees personalized training.

We participated in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance, to safeguard their lawful rights and interests in accordance with the law.

### Significant Events after the Reporting Period

The Group has no significant events that had taken place subsequent to December 31, 2025 and up to the date of this announcement.

# DIRECTORS' REPORT

The Board hereby presents this report of the Directors, this annual report, and the audited consolidated financial statements of the Group for 2025 to the shareholders.

## CORPORATE INFORMATION AND INITIAL PUBLIC OFFERING

The Company was established as a limited liability company under the laws of the PRC on July 28, 1997 and was converted into a joint stock company with limited liability on September 10, 2014. The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on October 28, 2025.

Basic information of the Company is set out in “Corporate Information” on page 2 to page 3 of this annual report.

## BUSINESS REVIEW

The Company and its subsidiaries (hereinafter referred to as the “Group”), are principally engaged in the processing, production and sales of tea leaves and other tea products in the PRC.

We are a leading well-known tea brand in China, dedicated to introducing to people around the world the wellbeing and joy brought by tea. We have developed a comprehensive product matrix encompassing not only a full spectrum of tea categories including Oolong tea, black tea, dark tea, white tea, green tea, and yellow tea, but also extending to tea-related derivatives such as tea ware, tea snacks, and tea beverages. In addition, we have introduced business and social tea spaces, striving to deliver a holistic tea experience to consumers.

The discussion and analysis of the Group’s results and performance, major factors affecting the results and financial condition during the Year, and future development are set out in “Management Discussion and Analysis” on page 5 to page 24 of this annual report.

## DIRECTORS' REPORT

### ENVIRONMENTAL POLICY AND PERFORMANCE OF THE COMPANY

As a corporate citizen, we are fully aware of our responsibilities toward the society. We actively implement and continue to develop effective measures to integrate environmental, social and governance (the “ESG”) principles into all major aspects of our business operations. The Board is responsible for guiding and reviewing the Company’s ESG approach, strategies and targets, as well as identifying and assessing ESG-related impacts, risks and opportunities.

A discussion on the environmental policies and performance, the Group’s compliance with relevant laws and regulations that have a significant impact on the Group, and the Group’s key relationships with its stakeholders are set out in the Company’s “Environmental, Social and Governance Report”.

### COMPLIANCE WITH LAWS AND REGULATIONS

As a joint stock limited liability company established in the PRC with H Shares listed on the Hong Kong Stock Exchange, the Company is governed by the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “Company Law”) and other relevant domestic laws and regulations, the Listing Rules and the SFO. The Company mainly conducts business in China and all of its operations are subject to the applicable PRC laws, administrative regulations, departmental regulations and other regulatory documents.

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

### TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Company’s listed securities.

### RESULTS AND DISTRIBUTIONS

The results of the Group for the year ended December 31, 2025 are set out in the audited Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 142 of this annual report. The financial condition of the Group as at December 31, 2025 is set out in the audited Consolidated Statement of Financial Position on page 143 to page 144 of this annual report.

For the six months ended June 30, 2025, the shareholders’ general meeting of the Company approved the distribution of dividends with a total amount of RMB36.2 million to the shareholders. Please see the Prospectus for details.

## DIRECTORS' REPORT

### PROPOSAL AND POLICY FOR THE DISTRIBUTION OF THE FINAL DIVIDEND

#### Final Dividends

Pursuant to the long-term development strategy and capital expenditure requirements of the Company, after taking into account subsequent market capitalization management initiatives, the Board does not recommend the distribution of final dividend to the Shareholders for the year ended December 31, 2025.

For the year ended December 31, 2025, the Company was not aware of any arrangement under which any Shareholders who have waived or agreed to waive any dividend.

#### Dividend Policy

In accordance with the Articles of Association, profit distribution of the Company shall prioritize providing reasonable returns to investors while supporting the Company's long-term development;

The Board may approve, and the Company may pay, dividends after taking into account our results of operations, financial condition, cashflow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant. Any proposed distribution of dividends shall be determined by the Board and must be approved by the shareholders at a general meeting. During the Reporting Period, all dividend decisions made by the Board were made in accordance with the the Company's dividend policy.

### SHARE CAPITAL IN ISSUE

As at December 31, 2025, the issued share capital of the Company was 85,000,000 shares, comprising 52,986,875 H Shares and 32,013,125 Domestic Shares. Details of the movement of the share capital of the Company during the year 2025 are set out in Note 23 to the consolidated financial statements.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including the sale or transfer of treasury shares as defined in the Listing Rules) since the Listing Date to December 31, 2025.

As at the end of the Reporting Period, neither the Company nor any of its subsidiaries held any treasury shares.

## DIRECTORS' REPORT

### USE OF PROCEEDS FROM GLOBAL OFFERING

On October 28, 2025, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The Company issued 9,000,000 H Shares at a price of HK\$50 per H Share, with a par value of RMB1 per share. After deducting underwriting commissions and other estimated expenses related to the global offering, the net proceeds received by the Company from the global offering were approximately HK\$389.9 million, which will be utilized in accordance with the use of proceeds disclosed in the prospectus as follows:

<b>Use of proceeds</b>	<b>Percentage of proceeds used</b>	<b>Net Proceeds (HK\$ million)</b>	<b>Utilized amount from Listing Date to December 31, 2025 (HK\$ million)</b>	<b>Unutilized amount as of December 31, 2025 (HK\$ million)</b>	<b>Expected timeline for full utilization</b>
Expansion and upgrade of our production facilities and supply chain facilities	35%	136.5	0	136.5	By 2027
Enhancement of our brand value, and broadening product portfolio	20%	78.0	0	78.0	By 2027
Expansion of our self-operated offline store network	15%	58.5	0	58.5	By 2027
Enhancing the digitalization level of our business operation	10%	39.0	0	39.0	By 2027
Acquisition or investment <sup>(1)</sup>	10%	39.0	0	39.0	N/A
Working capital and other general corporate purposes	10%	39.0	0	39.0	N/A
<b>Total</b>	<b>100%</b>	<b>389.9</b>	<b>0</b>	<b>389.9</b>	

As of the date of this report, the Board is aware that the use of proceeds from the Global Offering has been delayed compared to the implementation plan disclosed in the Prospectus, primarily due to delay in completion of the foreign exchange registration and filing procedures for the proceeds from the Global Offering (completed in January 2026). We currently have no intention of changing the use of the unutilized net proceeds, and will continue to proceed as appropriate based on market conditions and the Company's overall business strategy. It is currently expected that the unutilized net proceeds will be fully utilized by December 31, 2027, depending on market conditions, the Company's business strategy, and the timing of suitable opportunities arising in the industry. We will make announcement(s) in due course if there are any changes to the intended use of the proceeds.

*Note:*

- (1) As of the date of this report, we have not identified any specific acquisition targets. We intend to consider acquiring or investing in the players in China's tea industry that (i) have a good reputation in the industry; (ii) recorded positive revenue and profit in recent financial years; and (iii) recorded net profit of not less than RMB8.0 million for the latest financial year. The completion timetable depends on the duration of the relevant vetting/approval process.

# DIRECTORS' REPORT

## PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries are set out in note 14 to the consolidated financial statements of this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details of the changes to the Group's property, plant and equipment as of December 31, 2025 are set out in the note 11 to the consolidated financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of corporate and individual customers. Corporate customers primarily include franchisees, e-commerce platforms and key account (KA) channels clients. During the Reporting Period, revenue generated by the Group's top five customers accounted for less than 30% of the Group's total revenue.

Our suppliers primarily include raw material suppliers, OEM (Original Equipment Manufacturer) suppliers, and logistics and transportation providers. In 2025, the total purchase amount attributable to the Group's top five suppliers accounted for less than 30% of the Group's total purchases.

As confirmed by the Directors of the Company, during the Reporting Period, none of the Directors, their close associates or any shareholders holding more than 5% of the Company's issued share capital (excluding treasury shares) owned any beneficial interest in the Group's top five customers or top five suppliers.

## MAJOR RISKS AND UNCERTAINTIES

The Group's businesses are subject to certain risks as set out in the section headed "Risk Factors" of the Prospectus. The following outlines certain major risks and uncertainties facing the Group, some of which are beyond our control:

- A slowdown or decline in market and consumer demand for our products;
- Potential impact of counterfeiting, imitation or infringement by third parties on our brand and products;
- Impact of setbacks in channel development on the Company's performance;
- Price fluctuations or supply shortages of raw materials;
- Maintaining optimal inventory turnover; and
- Other risks associated with the industry, business and operations.

## DIRECTORS' REPORT

### EMPLOYEES

Employees are the key to the Group's sustainable development. For details of the Group's employees, please refer to "Directors, Senior Management and Employees – Employees" on pages 67 to 74 of this annual report.

### BANK LOANS AND OTHER BORROWINGS

As of December 31, 2025, we had no bank loans and other borrowings (December 31, 2024: no bank loans and other borrowings).

### DONATIONS

During the Reporting Period, the Group donated RMB638,000.

### DIRECTORS AND SENIOR MANAGEMENT

Set out below are details of the Directors and senior management of the Company during the year of 2025 and as at the date of this annual report:

Name	Position in the Company	Date of Appointment
<b>Directors and senior management currently in office</b>		
<b>Directors</b>		
<b><i>Executive Directors</i></b>		
Mr. Wang Wenli	Chairman and executive Director	May 13, 2011
Mr. Wu Qingbiao	Executive Director and general manager	May 6, 2009
Mr. Wang Kunheng	Executive Director and co-general manager	February 21, 2024
Mr. Wang Wenchao	Executive Director and deputy general manager	January 23, 2018
Mr. Wang Wenlong	Executive Director, secretary of the Board and joint company secretary	January 8, 2025
<b><i>Non-executive Director</i></b>		
Mr. Wang Wenbin	Non-executive Director	May 13, 2011
<b><i>Independent Non-executive Directors</i></b>		
Ms. Chiu Mun Wai	Independent non-executive Director	January 8, 2025
Ms. Tong Naqiong	Independent non-executive Director	January 27, 2021
Mr. Wang Yuefei	Independent non-executive Director	February 21, 2024

## DIRECTORS' REPORT

Name	Position in the Company	Date of Appointment
<b>Senior Management</b>		
Mr. Wu Qingbiao	General manager	May 6, 2009
Mr. Wang Kunheng	Co-general manager	October 27, 2023
Mr. Wang Wenchao	Deputy general manager	October 27, 2023
	Secretary of the Board and joint	
Mr. Wang Wenlong	company secretary	June 18, 2024
Ms. Shi Hejing	Chief financial officer	February 29, 2024
<b>Departed Directors and Senior Management</b>		
Mr. He Lei	Director	January 27, 2021 (resigned on January 5, 2025)
	Deputy general manager	April 23, 2021 (resigned on January 5, 2025)
Mr. Ma Yuquan	Independent Director	February 21, 2024 (resigned on January 8, 2025)

*Notes:*

- (1) Mr. He Lei resigned from his positions as an executive Director and the deputy general manager due to his personal development, with effect from January 5, 2025.
- (2) Mr. Ma Yuquan resigned from his position as a independent Director due to other work arrangements, with effect from January 8, 2025.

### BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographies of the Director and senior management of the Company are set out on page 67 to page 73 of this annual report.

### SERVICE CONTRACTS OF THE DIRECTORS

The Company has signed a service agreement or letter of appointment with each Director, with the service period commencing from the date of appointment until the expiration of the term of the current Board (provided that either party may terminate this contract in accordance with the Company's Articles of Association or the terms of this contract).

None of the Directors has or is proposed to have a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

## DIRECTORS' REPORT

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### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

In compliance with the Corporate Governance Code, the Company has established the Remuneration Committee to formulate remuneration policies for the Directors and senior management.

The remuneration is determined and recommended based on each Director's qualification, experience and the prevailing market conditions. The remuneration of the Directors is determined by the Board upon recommendation from the Remuneration Committee of the Company.

Details of the emoluments of the Directors and five highest paid individuals of the Group are set out in notes 8 and 9 to the consolidated financial statements of this annual report.

None of the Directors waived or agreed to waive any remuneration payable by the Group and there were no emoluments paid by the Group to any of the Directors or five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office during the Reporting Period.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in the Prospectus and this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

### INTERESTS OF DIRECTORS IN COMPETING BUSINESSES

To the best of the Board's knowledge, during the Reporting Period, neither the Directors nor their associates had any interest in any business that directly or indirectly competes with or may compete with the Group's business.

## DIRECTORS' REPORT

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, save as disclosed in “Changes in Share Capital and Information of Shareholders” in this annual report, none of the Directors and chief executive of the Company had any interests and/or short positions in Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she has taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out under Appendix C3 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Hong Kong Stock Exchange.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period with persons other than the Directors or persons employed by the Company on a full-time basis.

### EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2025.

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

For details of shareholding of Substantial Shareholders in the Company, please refer to “Changes in Share Capital and Information of Shareholders – Interests and Short positions of Substantial Shareholders in the Shares and Underlying Shares of the Company” on page 43 of this annual report.

## DIRECTORS' REPORT

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### PRE-EMPTIVE RIGHT

As of December 31, 2025, the Company had no pre-emptive right. There are no specific provisions under the PRC laws or the Articles of Association of the Company in relation to pre-emptive rights.

### PERMITTED INDEMNITY PROVISIONS

During the Reporting Period, the Company has maintained appropriate liability insurance for all Directors. The permitted indemnity provisions are set out in such liability insurance. Save as the above, as of December 31, 2025, none of the Directors of the Company were benefited from any effective permitted indemnity provisions.

### RESERVES

Details of the Group's changes in reserves during the Reporting Period are set out in the consolidated statement of changes in equity in this annual report.

### DISTRIBUTABLE RESERVES

In accordance with relevant laws and regulations, as of December 31, 2025, the Group's total distributable reserves amounted to RMB1,125.9 million.

### SUFFICIENT PUBLIC FLOAT

As of the date of this annual report and based on publicly available information of the Company and to the best of the Directors' knowledge, the Company has maintained a minimum public float of 25% in compliance with the Listing Rules. Based on the publicly available information of the Company and to the best of the Directors' knowledge, as of December 31, 2025 and up to the date of this annual report, approximately 46.3% of the total issued Shares of the Company were held in public hands (as defined in the Listing Rules).

## DIRECTORS' REPORT

### CONNECTED TRANSACTIONS

During the Reporting Period, the following connected transactions of the Group are subject to the reporting, annual review, announcement and/or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### *Supply of tea leaves and other products to Guangxi Jiuyun*

Guangxi Jiuyun is controlled by Mr. Wang Yuanming (王淵銘), who is the brother of Mr. Wang Wenlong, our executive Director, the secretary of the Board and one of the joint company secretaries, and the cousin of Mr. Wang Wenbin, Mr. Wang Wenli and Mr. Wang Wenchao, each being a Director and the Controlling Shareholder of our Company and therefore a connected person of the Company.

On September 30, 2025, we entered into a supply framework agreement with Guangxi Jiuyun, pursuant to which Guangxi Jiuyun may purchase tea leaves and other tea products from us, for a term commencing from the Listing Date of the Company till December 31, 2027. For each of the years ending December 31, 2025, 2026 and 2027, the total amount receivable by the Group for the supply of tea leaves and other products to Guangxi Jiuyun under the Guangxi Jiuyun Supply Agreement shall not exceed RMB13.5 million, RMB16.0 million and RMB19.0 million, respectively. During the Reporting Period, the actual transaction amount was RMB8.0 million, which did not exceed the annual cap of the transaction.

For details of such continuing connected transaction, please refer to the section headed "Connected Transactions" of the Prospectus.

## DIRECTORS' REPORT

### ***Supply of tea leaves and other products to Mr. Wu Qingtuan and his controlled companies***

Mr. Wu Qingtuan (吳清團) is the brother of Mr. Wu Qingbiao, our executive Director and the general manager and the cousin of Mr. Wang Wenbin, Mr. Wang Wenli and Mr. Wang Wenchao, each being a Director and the Controlling Shareholder of the Company, and therefore a connected person of the Company.

On September 30, 2025, we entered into a supply framework agreement with Mr. Wu Qingtuan, pursuant to which Mr. Wu Qingtuan and subordinated enterprises controlled by him may purchase tea leaves and other tea products from us, for a term commencing from the Listing Date of the Company till December 31, 2027. For each of the years ending December 31, 2025, 2026 and 2027, the total amount receivable by the Group for the supply of tea leaves and other products to Mr. Wu Qingtuan and subordinated enterprises controlled by him under the supply framework agreement shall not exceed RMB18.0 million, RMB21.6 million and RMB26.0 million, respectively. During the Reporting Period, the relevant controlled companies of Mr. Wu Qingtuan which purchased tea leaves and other tea products from us under the supply framework agreement included Shenzhen Yintai Tea Industry Co., Ltd. (深圳市銀泰茶業有限公司), Shenzhen Yunxiang Tea Industry Co., Ltd. (深圳市雲祥茶業有限公司), Guangzhou Xiangtai Tea Industry Co., Ltd. (廣州市祥泰茶業有限公司) and Huizhou Yunteng Tea Industry Co., Ltd. (惠州市雲騰茶業有限公司). During the Reporting Period, the actual transaction amount was RMB15.2 million, which did not exceed the annual cap of the transaction.

For details of such continuing connected transaction, please refer to the section headed “Connected Transactions” of the Prospectus.

### ***Supply of tea leaves and other products to Jiangxi Youyuan***

Jiangxi Youyuan is controlled by Mr. Zeng Guowen (曾國文), who is the uncle of Ms. Wu Xiaoning (the Controlling Shareholder of the Company), and therefore a connected person of the Company.

On September 30, 2025, we entered into a supply framework agreement with Jiangxi Youyuan, pursuant to which Jiangxi Youyuan may purchase tea leaves and other tea products from us, for a term commencing from the Listing Date of the Company till December 31, 2027. For each of the years ending December 31, 2025, 2026 and 2027, the total amount receivable by the Group for the supply of tea leaves and other products to Jiangxi Youyuan under the Jiangxi Youyuan Supply Agreement shall not exceed RMB5.9 million, RMB7.0 million and RMB8.3 million, respectively. During the Reporting Period, the actual transaction amount was RMB3.4 million, which did not exceed the annual cap of the transaction.

For details of such continuing connected transaction, please refer to the section headed “Connected Transactions” of the Prospectus.

## DIRECTORS' REPORT

### ***Supply of tea leaves products to Chayuan Technology***

Chayuan Technology is a 70%-owned subsidiary of the Company, with the remaining 30% equity interests held by Yiye Guanshan. Yiye Guanshan is managed by Mr. Wu Junhui (吳俊暉) as the general partner and owned as to 83.3% partnership interests by Mr. Wu Junhui and 16.7% partnership interests by Mr. Wang Wenji (王文吉) as a limited partner. Mr. Wu Junhui is the son of Ms. Wang Xiaoping (王小萍), one of the Controlling Shareholders. Mr. Wang Wenji is the executive director of Quanzhou Bama, Bama Xiandai, Tianjin Xin Bama, and the manager of Fujian Bama, and the cousin of Mr. Wang Wenbin, Mr. Wang Wenli and Mr. Wang Wenchao (each being a Director and Controlling Shareholder), Mr. Wu Qingbiao and Mr. Wang Wenlong (each being a Director) and Ms. Wang Xiaoping (one of the Controlling Shareholders). As Yiye Guanshan is a connected person of the Company at the issuer level controlling 30% of the voting power at the general meeting of Chayuan Technology, Chayuan Technology is a connected person of the Company.

In November and December 2025, Chayuan Technology was in its trial operation phase and needed to provide tea samples to its customers for product testing only. As a result, it purchased tea leaves on one-off basis from the Group with total transaction amounts of approximately RMB261,400 for the year ended December 31, 2025. Aside from the above, for the year ended December 31, 2025, there have been no other sales of tea leaves from the Group to Chayuan Technology. The Company did not expect to enter into continuing transactions with Chayuan Technology when such one-off transactions occurred in 2025.

On January 27, 2026, we entered into a sales and purchase framework agreement with Chayuan Technology, pursuant to which Chayuan Technology may purchase tea leaves from us, for a term from January 27, 2026 to December 31, 2028. For each of the years ending December 31, 2026, 2027 and 2028, the total amount receivable by the Group for the supply of tea leaves to Chayuan Technology under the Chayuan Technology Supply Agreement shall not exceed RMB27 million, RMB55 million and RMB87 million, respectively.

For details of such connected transaction, please refer to our continuing connected transactions announcement dated January 27, 2025.

## DIRECTORS' REPORT

### CONFIRMATION BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Company have reviewed the continuing connected transactions during the Reporting Period and confirmed that such transactions are entered into on normal commercial terms or better and in the Group's ordinary and usual course of business and are fair and reasonable and in the interests of the Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of the Shareholders as a whole.

### AUDITOR'S LETTER

Pursuant to Rule 14A.56 of the Listing Rules, the Company has appointed KPMG ("KPMG") as the auditor to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the works performed, KPMG has issued the letter to the Board confirming that, in respect of the continuing connected transactions disclosed above:

- (a) nothing has come to KPMG's attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for transactions involving the provision of products and service by the Group, nothing has come to KPMG's attention that causes it to believe that the transactions were not, in all material respects, conducted in accordance with the pricing policies of the Group;
- (c) nothing has come to KPMG's attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;
- (d) in connection with the total amount of each of the continuing connected transaction disclosed above, nothing has come to KPMG's attention that causes it to believe that such continuing connected transactions have exceeded the annual cap set by the Company.

## DIRECTORS' REPORT

### RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with parties regarded as “related parties” under the applicable accounting standards. Details of related party transactions entered into by the Group during the Reporting Period are set out in note 26 to the financial statements. Save as disclosed in the “Directors’ Report – Connected Transactions” of this annual report, the related party transactions during the Reporting Period as disclosed in Note 26 do not constitute connected transactions or are exempt from the reporting, annual review, announcement and Shareholders’ approval requirements under the Listing Rules. During the Reporting Period, the Company complied with the related regulations under Chapter 14A of the Listing Rules.

### AUDIT COMMITTEE

The Audit Committee of the Board has reviewed the annual results and annual report of the Company for 2025 and the audited consolidated financial statements for the year ended December 31, 2025.

### ACCOUNTING POLICY

The critical accounting policies adopted by the Company in the preparation of the audited consolidated financial statements for 2025 are the same as those adopted for the audited consolidated financial statements for the year ended December 31, 2024, details of which are set out in note 2 to the financial statements.

### AUDITOR

The Group’s consolidated financial statements for the year ended December 31, 2025 have been audited by KPMG.

At the forthcoming annual general meeting, a resolution will be proposed to re-appoint KPMG as the Company’s auditor. Since the Listing Date, there have been no changes to the Company’s auditors.

### CONVENING OF THE 2025 ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 6/F, Comprehensive Building, Bama Tea Wuyishan Intelligent Ecological Industrial Park, No. 5 Xiantai Road, Wuyishan City, Nanping City, Fujian Province, the PRC on Tuesday, April 21, 2026 at 10:00 a.m. and a notice and circular convening the Annual General Meeting will be published and despatched to the Shareholders who request the printed copy in due course.

## DIRECTORS' REPORT

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting, the register of members of H Shares will be closed from Thursday, April 16, 2026 to Tuesday, April 21, 2026, both dates inclusive, during which period no transfer of H Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, April 15, 2026. Shareholders whose names appear on the register of members of the Company on Tuesday, April 21, 2026 (being the record date) will be eligible to attend and vote at the Annual General Meeting.

### MAJOR LITIGATION AND ARBITRATION ISSUES

During the Reporting Period, the Group was not involved in any major litigation and arbitration issues. The Directors were also not aware of any pending or potential significant litigations or claims.

### MAJOR TRANSACTIONS OF ASSETS AND MERGERS OF ENTERPRISES

During the Reporting Period, the Company was not involved in any major transactions of assets and mergers of enterprises.

### EQUITY INCENTIVE SCHEME AND EMPLOYEE SHAREHOLDING PLAN

During the Reporting Period, the Group did not implement any equity incentive scheme or employee shareholding plan.

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in the Prospectus and this annual report, during the Reporting Period, none of the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholders or any of its subsidiaries, and there was no contract of significance in relation to provision of services by the Controlling Shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

By order of the Board  
**Bama Tea Co., Ltd.**  
*Chairman*  
**Wang Wenli**

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

### SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

The Company's overseas listed foreign shares (H shares) were listed on the Main Board of the Stock Exchange on October 28, 2025, with a total of 52,986,875 H Shares.

As at December 31, 2025, the total registered share capital of the Company was RMB85,000,000, divided into 85,000,000 ordinary Shares with a nominal value of RMB1.00 each, including 32,013,125 Domestic Shares and 52,986,875 H Shares.

There was no change in the in the share capital of the Company from the Listing Date to December 31, 2025.

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

To the best knowledge of the Directors, as at December 31, 2025, the interests and short positions of the Directors, and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Class of Shares	Capacity	Number of Shares held or deemed to be held (shares)	Approximate percentage to the same class of share capital of the Company (%) <sup>(1)</sup>	Approximate percentage to the total share capital of the Company (%) <sup>(2)</sup>
Wang Wenbin <sup>(3)</sup>	Domestic Shares	Beneficial owner	14,464,125 (L)	45.18	17.02
		Interests held jointly with another person	17,398,500 (L)	54.35	20.47
	H Shares	Beneficial owner	4,821,375 (L)	9.10	5.67
		Interests held jointly with another person	5,799,500 (L)	10.95	6.82
Wang Wenli <sup>(3)</sup>	Domestic Shares	Beneficial owner	11,614,575 (L)	36.28	13.66
		Interests held jointly with another person	20,248,050 (L)	63.25	23.82
	H Shares	Beneficial owner	3,871,525 (L)	7.31	4.55
		Interests held jointly with another person	6,749,350 (L)	12.74	7.94
Wang Wenchao <sup>(3)</sup>	Domestic Shares	Beneficial owner	1,312,500 (L)	4.10	1.54
		Interests held jointly with another person	30,550,125 (L)	95.43	35.94
	H Shares	Beneficial owner	437,500 (L)	0.83	0.51
		Interests held jointly with another person	10,183,375 (L)	19.22	11.98
Wu Qingbiao <sup>(4)</sup>	H Shares	Beneficial owner	569,625 (L)	1.08	0.67
		Interest of spouse	552,375 (L)	1.04	0.65
Wang Kunheng	H Shares	Beneficial owner	750,000 (L)	1.42	0.88

Note: (L) refers to long position

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

*Notes:*

- (1) The calculation is based on the 32,013,125 Domestic Shares or 52,986,875 H Shares issued by the Company as of December 31, 2025.
- (2) The calculation is based on the total number of 85,000,000 issued shares of the Company as of December 31, 2025.
- (3) On August 9, 2019, Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao, together with Ms. Chen Yajing, Ms. Wu Xiaoning and Ms. Wang Xiaoping, entered into the 2019 Concert Party Agreement, pursuant to which, they have agreed and confirmed that they would act in concert (i) as the Shareholders of the Company in respect of their rights to call for general meetings, to make proposals and to vote on the general meetings, and (ii) where the relevant parties in the Concert Party Group act as the Directors, in respect of their rights as Directors in the decision-making process of the Board. If the Concert Party Group could not reach consensus on certain issues in respect of the Company's operation and management, the proposal which is approved by half or more than half of the total number of Shares held by the Concert Party Group will be implemented and if no proposal is approved by half or more than half of the total number of Shares held by the Concert Party Group, the Concert Party Group should follow Mr. Wang Wenli's decisions. On September 9, 2024, the Concert Party Group entered into a supplemental agreement to the 2019 Concert Party Agreement which confirms the acting-in-concert arrangements among the Concert Party Group. Therefore, under the SFO, each of Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao, Ms. Chen Yajing, Ms. Wu Xiaoning and Ms. Wang Xiaoping is deemed to be interested in the Shares held by them.
- (4) Ms. Huang Qin (黃琴), the spouse of Mr. Wu Qingbiao, holds 552,375 H Shares of the Company. Mr. Wu Qingbiao is deemed to be interested in the same number of Shares held by Ms. Huang Qin under the SFO.

Save as disclosed above, so far as any Directors or chief executives of the Company are aware, as at December 31, 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

### RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

As of December 31, 2025, none of the Directors or their respective spouses or children under the age of 18 was granted any rights to acquire benefits by means of acquisition of Shares or debentures of the Company, nor exercised any such rights. The Company or any of its subsidiaries did not make any arrangement to enable the Directors or their respective spouses or children under the age of 18 to acquire such rights from any other body corporate.

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (shares)	Approximate percentage to the same class of share capital of the Company (%) <sup>(1)</sup>	Approximate percentage to the total share capital of the Company (%) <sup>(2)</sup>
Chen Yajing <sup>(3), (4)</sup>	Domestic Shares	Beneficial owner	1,109,550(L)	3.47	1.31
		Interests held jointly with another person	30,753,075(L)	96.06	36.18
	H Shares	Beneficial owner	369,850(L)	0.70	0.44
		Interests held jointly with another person	10,251,025(L)	19.35	12.06
Wu Xiaoning <sup>(3), (4)</sup>	Domestic Shares	Beneficial owner	2,986,500(L)	9.33	3.51
		Interests held jointly with another person	28,876,125(L)	90.20	33.97
	H Shares	Beneficial owner	995,500(L)	1.88	1.17
		Interests held jointly with another person	9,625,375(L)	18.17	11.32
Wang Xiaoping <sup>(3), (4)</sup>	Domestic Shares	Beneficial owner	375,375(L)	1.17	0.44
		Interests held jointly with another person	31,487,250(L)	98.36	37.04
	H Shares	Beneficial owner	125,125(L)	0.24	0.15
		Interests held jointly with another person	10,495,750(L)	19.81	12.35

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (shares)	Approximate percentage to the same class of share capital of the Company (%) <sup>(1)</sup>	Approximate percentage to the total share capital of the Company (%) <sup>(2)</sup>
Tianjin Changfeng Management Consulting Partnership (Limited Partnership) (天津長峰管理諮詢合夥企業(有限合夥)) <sup>(5), (6)</sup>	H Shares	Beneficial owner	5,220,000(L)	9.85	6.14
Zhuhai Harmonious Zhiyuan Management Consulting Co., Ltd. (珠海和諧致遠管理諮詢有限公司) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Tibet Harmonious Corporate Management Co., Ltd. (西藏和諧企業管理有限公司) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Beijing Harmonious Aiqi Investment Center (Limited Partnership) (北京和諧愛奇投資中心(有限合夥)) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Harmonious Aiqi Investment Management (Beijing) Co., Ltd. (和諧愛奇投資管理(北京)有限公司) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Beijing Harmonious Tiancheng Investment Management Centre (Limited Partnership) (北京和諧天成投資管理中心(有限合夥)) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (shares)	Approximate percentage to the same class of share capital of the Company (%) <sup>(1)</sup>	Approximate percentage to the total share capital of the Company (%) <sup>(2)</sup>
Tibet Tianyi Enterprise Management Co., Ltd. (西藏天翊企業管理有限公司) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Tibet Minhao Enterprise Management Co., Ltd. (西藏旻昊企業管理有限公司) <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Zhuhai Aiqi Yongsheng Equity Investment Partnership (Limited Partnership) (珠海愛奇永盛股權投資合夥企業(有限合夥)) <sup>(5), (6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Zhuhai Aiqi Yongxing Management Consulting Enterprise (Limited Partnership) (珠海愛奇永興管理諮詢企業(有限合夥)) <sup>(5), (6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Li Jianguang <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Niu Kuiguang <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Wang Jingbo <sup>(5)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (shares)	Approximate percentage to the same class of share capital of the Company (%) <sup>(1)</sup>	Approximate percentage to the total share capital of the Company (%) <sup>(2)</sup>
IDG Capital Project Fund IV GP Associates Limited <sup>(6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
IDG Capital Project Fund IV Associates, L.P. <sup>(6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
IDG Capital Project Fund IV, L.P. <sup>(6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
HO Chi Sing <sup>(6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
ZHOU Quan <sup>(6)</sup>	H Shares	Interest of controlled corporation	5,220,000(L)	9.85	6.14
Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership) (天津天圖興華股權投資合夥企業(有限合伙)) <sup>(7)</sup>	H Shares	Beneficial owner	3,600,000(L)	6.79	4.24
Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) <sup>(7)</sup>	H Shares	Interest of controlled corporation	3,600,000(L)	6.79	4.24
Wang Yonghua <sup>(7)</sup>	H Shares	Interest of controlled corporation	3,600,000(L)	6.79	4.24
Nanhai Growth Selected (Tianjin) Equity Investment Fund Partnership (Limited Partnership) (南海成長精選(天津)股權投資基金合夥企業(有限合伙))	H Shares	Beneficial owner	3,150,000(L)	5.94	3.71

## CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Note: (L) refers to long position

Notes:

- (1) The calculation is based on the 32,013,125 Domestic Shares or 52,986,875 H Shares issued by the Company as of December 31, 2025.
- (2) The calculation is based on the total number of 85,000,000 issued shares of the Company as of December 31, 2025.
- (3) On August 9, 2019, Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao, together with Ms. Chen Yajing, Ms. Wu Xiaoning and Ms. Wang Xiaoping, entered into the 2019 Concert Party Agreement, pursuant to which, they have agreed and confirmed that they would act in concert (i) as the Shareholders of the Company in respect of their rights to call for general meetings, to make proposals and to vote on the general meetings, and (ii) where the relevant parties in the Concert Party Group act as the Directors, in respect of their rights as Directors in the decision-making process of the Board. If the Concert Party Group could not reach consensus on certain issues in respect of the Company's operation and management, the proposal which is approved by half or more than half of the total number of Shares held by the Concert Party Group will be implemented and if no proposal is approved by half or more than half of the total number of Shares held by the Concert Party Group, the Concert Party Group should follow Mr. Wang Wenli's decisions. On September 9, 2024, the Concert Party Group entered into a supplemental agreement to the 2019 Concert Party Agreement which confirms the acting-in-concert arrangements among the Concert Party Group. Therefore, under the SFO, each of Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao, Ms. Chen Yajing, Ms. Wu Xiaoning and Ms. Wang Xiaoping is deemed to be interested in the Shares held by them.
- (4) Mr. Wang Wenbin, Mr. Wang Wenli, Ms. Chen Yajing, Ms. Wu Xiaoning, Mr. Wang Wenchao and Ms. Wang Xiaoping are family members, with Mr. Wang Wenbin, Mr. Wang Wenli and Mr. Wang Wenchao being brothers of each other, Ms. Chen Yajing being the spouse of Mr. Wang Wenbin, Ms. Wu Xiaoning being the spouse of Mr. Wang Wenli and Ms. Wang Xiaoping being the sister of Mr. Wang Wenbin, Mr. Wang Wenli and Mr. Wang Wenchao.
- (5) Tianjin Changfeng Management Consulting Partnership (Limited Partnership) (天津長峰管理諮詢合夥企業(有限合夥)) is owned as to approximately (i) 0.01% by Beijing Harmonious Tiancheng Investment Management Centre (Limited Partnership) (北京和諧天成投資管理中心(有限合夥)) as the general partner; and (ii) 99.99% by Zhuhai Aiqi Yongxing Management Consulting Enterprise (Limited Partnership) (珠海愛奇永興管理諮詢企業(有限合夥)) as the limited partner. Zhuhai Harmonious Zhiyuan Management Consulting Co., Ltd. (珠海和諧致遠管理諮詢有限公司), Tibet Harmonious Corporate Management Co., Ltd. (西藏和諧企業管理有限公司), Beijing Harmonious Aiqi Investment Center (Limited Partnership) (北京和諧愛奇投資中心(有限合夥)), Harmonious Aiqi Investment Management (Beijing) Co., Ltd. (和諧愛奇投資管理(北京)有限公司), Beijing Harmonious Tiancheng Investment Management Centre (Limited Partnership) (北京和諧天成投資管理中心(有限合夥)), Tibet Tianyi Enterprise Management Co., Ltd. (西藏天翊企業管理有限公司), Tibet Minhao Enterprise Management Co., Ltd. (西藏旻昊企業管理有限公司), Zhuhai Aiqi Yongsheng Equity Investment Partnership (Limited Partnership) (珠海愛奇永盛股權投資合夥企業(有限合夥)) and Zhuhai Aiqi Yongxing Management Consulting Enterprise (Limited Partnership) (珠海愛奇永興管理諮詢企業(有限合夥)) are all controlled corporations directly or indirectly held by Mr. Li Jianguang, Mr. Niu Kuiguang and Ms. Wang Jingbo, and therefore, under the SFO, each of these companies and Mr. Li Jianguang, Mr. Niu Kuiguang and Ms. Wang Jingbo is deemed to be interested in the shares held by Tianjin Changfeng Management Consulting Partnership (Limited Partnership).
- (6) Tianjin Changfeng Management Consulting Partnership (Limited Partnership) (天津長峰管理諮詢合夥企業(有限合夥)) is owned as to approximately (i) 0.01% by Beijing Harmonious Tiancheng Investment Management Centre (Limited Partnership) (北京和諧天成投資管理中心(有限合夥)) as the general partner; and (ii) 99.99% by Zhuhai Aiqi Yongxing Management Consulting Enterprise (Limited Partnership) (珠海愛奇永興管理諮詢企業(有限合夥)) as the limited partner. IDG Capital Project Fund IV GP Associates Limited, IDG Capital Project Fund IV Associates, L.P., IDG Capital Project Fund IV, L.P., Zhuhai Aiqi Yongsheng Equity Investment Partnership (Limited Partnership) (珠海愛奇永盛股權投資合夥企業(有限合夥)) and Zhuhai Aiqi Yongxing Management Consulting Enterprise (Limited Partnership) (珠海愛奇永興管理諮詢企業(有限合夥)) are all controlled corporations directly or indirectly held by HO Chi Sing and ZHOU Quan, and therefore, under the SFO, each of these companies and HO Chi Sing and ZHOU Quan is deemed to be interested in the long positions held by Tianjin Changfeng Management Consulting Partnership (Limited Partnership).
- (7) Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership) (天津天圖興華股權投資合夥企業(有限合夥)) is owned as to 100% by Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司). Tian Tu Capital Co., Ltd. is a controlled corporation directly controlled by Mr. Wang Yonghua, and therefore, under the SFO, the company and Mr. Wang Yonghua are deemed to be interested in the shares held by Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership).

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company during the period from the Listing Date to December 31, 2025.

Unless otherwise stated, reference of the code provisions made in this corporate governance report in relation to the Corporate Governance Code is referred to the provisions contained in the Appendix C1 to the Listing Rules in force during the year ended December 31, 2025.

During the period from the Listing Date to December 31, 2025, the Company has complied with the code provisions (the “**Code Provisions**”) of the Corporate Governance Code. It has established a set of corporate governance system with respect to Board composition, Board diversity policy, duties and procedures, remuneration structure of the Directors and senior management and appraisal of the Board, internal control and audit, joint company secretaries and communication between the Company and shareholders.

In particular, the Chairman assumes the major responsibility for ensuring that sound corporate governance practices and procedures of the Company are in place. The Company has adopted a corporate governance policy, which sets out terms of reference for the Board, including but not limited to: formulation and review of the corporate governance policy and practices of the Company; review and monitoring of the training and continuous professional development of the Directors and senior management; review and monitoring of the policies and practices of the Company in relation to compliance with laws and regulatory requirements; formulation, review and monitoring of compliance by staff and Directors with the code of conduct and compliance manual; and review of the compliance of the Company with the Corporate Governance Code.

## CORPORATE CULTURE

The Company’s management and employees jointly uphold the following values, which form the foundation of our corporate culture:

- **Integrity:** Being upright, honest and a source of positive energy. This means conducting oneself with moral rectitude, acting with impartiality, providing authentic products and pursuing righteous business practices.
- **Altruism:** Helping others is helping oneself. Altruism stems from a pure desire to assist others; it is a self-directed principle, not a demand placed on others. It involves consistently prioritizing the customer to achieve long-term mutual benefit.
- **Genuine Craftsmanship:** Dedication and full commitment. Genuine competence means having real skills and the ability to execute effectively, rejecting empty rhetoric, delivering tangible results, and continuous innovation.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the period from the Listing Date to December 31, 2025, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

## BOARD OF DIRECTORS

### Responsibilities

The Board is held accountable for the shareholders' general meeting and is primarily responsible for overall management and control of the Company as well as providing leadership and approving strategic policies and plans with a view to enhancing Shareholder value. All Directors carry out their duties in good faith and in compliance with the applicable laws and regulations, and act in the interest of the Company and its Shareholders at all times.

All Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries and senior management, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations.

The Board is responsible for making decisions on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, operating plans and investment proposals, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), review and/or approval of share schemes; financial information, appointment or dismissal of senior management of the Company and other significant financial and operational matters.

## CORPORATE GOVERNANCE REPORT

Directors have full and timely access to independent consultation with the senior management. Any Director and Board Committee may request independent professional advice in appropriate circumstances at the Company's expense, upon making reasonable request to the Board.

The Company has established relevant mechanisms to ensure that independent views and opinions are available to the Board, including but not limited to:

1. Where appropriate, the Company shall provide proper and sufficient resources and purchase appropriate insurance to cover any matter relating to obtaining independent opinions by the Board, including but not limited to engaging a legal team or any other professionals for such purpose. Such expenses shall be borne by the Company.
2. The Board shall review its structure, size, composition (including skills, knowledge and experience) and diversity policy at least once a year in order to maintain a balanced mix of executive and non-executive Directors (including independent non-executive Directors) so that the Board has a strong element of independence and is able to make independent judgement effectively.
3. If all the independent non-executive Directors have served on the Board for more than nine years, the Company is required to appoint new independent non-executive Directors at the forthcoming annual general meeting.
4. If the Board is entirely of one gender, it shall appoint at least one Director of the other gender as soon as possible so that the Board may have a more diverse perspective.

The Board has reviewed the implementation and effectiveness of the relevant mechanisms to ensure that independent views and opinions are available to the Board and considered it to be effective during the Reporting Period. The Board will continue to review the implementation and effectiveness of such mechanism on an annual basis.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Company to the management. The management of the Company decides the investment, financing, contracts, transactions and other matters of the Company within the scope of the Articles of Association and the authorization of the Board of Directors. The respective functions of the Board and management of the Company were established and will be reviewed from time to time as appropriate. To oversee particular aspects of the Company's affairs, the Board has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee. The Board has delegated to these Board Committees responsibilities as set out in their respective terms of reference.

# CORPORATE GOVERNANCE REPORT

## BOARD COMPOSITION

From the Listing Date to December 31, 2025 and up to the date of this annual report, the Directors were as follows:

### Executive Directors

Mr. Wang Wenli<sup>(1)</sup> (*Chairman*)

Mr. Wu Qingbiao<sup>(2)</sup> (*General manager*)

Mr. Wang Kunheng<sup>(3)</sup> (*Co-general manager*)

Mr. Wang Wenchao<sup>(4)</sup> (*Deputy general*)

Mr. Wang Wenlong<sup>(5)</sup> (*Secretary of Board*)

### Non-executive Director

Mr. Wang Wenbin<sup>(6)</sup>

### Independent Non-executive Directors

Ms. Chiu Mun Wai

Ms. Tong Naqiong

Mr. Wang Yuefei

Notes:

1. Sibling of Mr. Wang Wenbin and Mr. Wang Wenchao; uncle of Mr. Wang Kunheng; and cousin of Mr. Wu Qingbiao and Mr. Wang Wenlong
2. Cousin of Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao and Mr. Wang Wenlong; and uncle of Mr. Wang Kunheng
3. Son of Mr. Wang Wenbin; and nephew of Mr. Wang Wenli, Mr. Wang Wenchao, Mr. Wu Qingbiao and Mr. Wang Wenlong
4. Sibling of Mr. Wang Wenbin and Mr. Wang Wenli; uncle of Mr. Wang Kunheng; and cousin of Mr. Wu Qingbiao and Mr. Wang Wenlong
5. Cousin of Mr. Wang Wenbin, Mr. Wang Wenli, Mr. Wang Wenchao and Mr. Wu Qingbiao; and uncle of Mr. Wang Kunheng
6. Sibling of Mr. Wang Wenli and Mr. Wang Wenchao; father of Mr. Wang Kunheng; and cousin of Mr. Wu Qingbiao and Mr. Wang Wenlong

Biographies of the Directors are set out in the section headed “Directors, Senior Management and Employees” in this report.

## CORPORATE GOVERNANCE REPORT

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Saved for disclosed above, there are no relationships among the Directors and senior management, including financial, business, family or other material/relevant relationships.

During the period from the Listing Date to December 31, 2025, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing the appropriate professional accounting qualifications or related financial management expertise. The Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. Each of the independent non-executive Directors has confirmed his/her independence pursuant to the factors set out in Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors have brought a wide range of valuable business experience, knowledge and expertise to the Board for its effective functioning. Moreover, through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on the Board Committees, all non-executive Directors make various contributions to the effective leadership of the Company.

# CORPORATE GOVERNANCE REPORT

## INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development programs to sharpen and update their knowledge and skills. The Company has participated in continuous professional development through seminars and/or reading materials to develop and refresh its knowledge and skills. All Directors have provided training records to the Company.

From the Listing Date to December 31, 2025, the key methods of attaining continuous professional development by each of the Directors are summarized as follows:

Name of Directors	Attending courses/seminars
<b><i>Executive Directors</i></b>	
Mr. Wang Wenli	✓
Mr. Wu Qingbiao	✓
Mr. Wang Kunheng	✓
Mr. Wang Wenchao	✓
Mr. Wang Wenlong	✓
<b><i>Non-executive Director</i></b>	
Mr. Wang Wenbin	✓
<b><i>Independent non-executive Directors</i></b>	
Ms. Chiu Mun Wai	✓
Ms. Tong Naqiong	✓
Mr. Wang Yuefei	✓

Each of Mr. Wang Wenli, Mr. Wu Qingbiao, Mr. Wang Kunheng, Mr. Wang Wenchao, Mr. Wang Wenlong, Mr. Wang Wenbin, Ms. Tong Naqiong and Mr. Wang Yuefei confirmed that (i) he/she obtained the legal opinion referred to in Rule 3.09D of the Listing Rules on December 19, 2024, and (ii) he/she understands his/her responsibilities as a director of a listed issuer under the Listing Rules.

Ms. Chiu Mun Wai confirmed that (i) she obtained the legal opinion referred to in Rule 3.09D of the Listing Rules on January 2, 2025, and (ii) she understands her responsibilities as a director of a listed issuer under the Listing Rules.

In addition, during the Report Period, each of the Director received training through (i) attending briefings and conferences covering, among others, continuous professional development relevant to the Company's business and Directors' duties, which were arranged by the Company or external advisors; and (ii) reading regulatory/corporate governance or industry related updates.

# CORPORATE GOVERNANCE REPORT

## CHAIRMAN AND GENERAL MANAGER

The positions of the Chairman and the general manager of the Company are held separately. The role of Chairman of the Company is held by Mr. Wang Wenli, and the role of general manager of the Company is held by Mr. Wu Qingbiao.

The division of responsibilities between the Chairman and general manager is clearly established and set out in writing. The Chairman exercises such functions as presiding over general meetings, convening and presiding over meetings of the Board; supervising and checking on the implementation of the resolutions of the general meetings and the Board of Directors and receiving the work reports of the general manager, other senior management members of the Company and the persons-in-charge of the invested enterprises of the Company, so as to ensure that the Board performs its responsibilities and all key and appropriate issues are discussed by the Board in a timely manner. The general manager is responsible for the Board, appointed by the Board and has the delegated power to manage the Company and to oversee the activities of the Company on a day-to-day basis. His major functions include being in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report on his or her work to the Board of Directors; arranging for the implementation of the Company's annual business plans and investment plans, drafting the plan for establishment of the Company's internal management organization and the Company's basic management system and formulating the basic rules and regulations of the Company.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the Directors has entered into a contract with the Company. Pursuant to the Articles of Association, Directors (including executive Directors, non-executive Directors and independent non-executive Directors) shall be subject to election at the general meetings with a term of office of three years and may be re-elected. However, an independent non-executive Director shall not serve more than nine years consecutively. The Company has implemented a set of effective procedures for the appointment of new Directors. The Nomination Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, taking into account the actual situations of the Company, consider the selection criteria, selection procedures and terms of office of the Directors of the Company, and record and submit the resolutions to the Board for approval. All newly nominated Directors are subject to election and approval at the general meetings.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

### Audit Committee

The Company established the Audit Committee on December 19, 2024, with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities.

The Audit Committee currently consists of three independent non-executive Directors. The members of the Audit Committee are currently Ms. Chiu Mun Wai, Ms. Tong Naqiong and Mr. Wang Yuefei. It is currently chaired by Ms. Chiu Mun Wai, an independent non-executive Director.

During the period from the Listing Date to December 31, 2025, the Audit Committee held one meeting to review and consider resolutions regarding the appointment of the Company's auditor for the year 2025; the Company's 2025 financial audit plan and audit implementation plan; the report on the Company's internal audit work for January to November 2025; and the report on the Company's internal control work. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Company's auditor.

### Nomination Committee

The Company established the Nomination Committee on December 19, 2024, with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on the Board. Having considered each Director's professional qualifications and work experience, existing directorships of listed companies and other significant external time commitments, as well as other factors or circumstances relevant to his or her character, integrity, independence and experience from the Listing Date to December 31, 2025, the Nomination Committee is satisfied with each Director's time commitment and contribution to the board, as well as the ability to discharge his or her responsibilities effectively.

The Nomination Committee currently consists of one executive Director and two independent non-executive Directors. The members of the Nomination Committee are currently Mr. Wang Wenli, Ms. Tong Naqiong and Mr. Wang Yuefei. It is currently chaired by Mr. Wang Wenli, the Chairman of the Board and an executive Director.

As the Company was listed on October 28, 2025, the Nomination Committee did not hold any meetings during the period from the Listing Date to December 31, 2025.

## CORPORATE GOVERNANCE REPORT

### ***Board Diversity Policy***

The Company has adopted a board diversity policy.

### ***Overview of the policy***

Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on value and contribution that the selected candidates will bring to our Board.

### ***Measurable objectives and progress on achieving such objectives***

In accordance with measurable objectives, the current composition of the Board is analyzed as follows:

<b>Category</b>		<b>Number</b>	<b>Percentage %</b>
<b>Gender</b>	Male Directors	7	78%
	Female Directors	2	22%
<b>Age</b>	51-60 years	5	56%
	41-50 years	2	22%
	31-40 years	2	22%
<b>Type of Appointment</b>	Executive Directors	5	56%
	Non-executive Directors	1	11%
	Independent Non-executive Directors	3	33%
<b>Business Experience</b>	Accounting and financial management	2	22%
	Finance	1	11%
	Experience relevant to the Company's business	6	67%

## CORPORATE GOVERNANCE REPORT

As at the date of this annual report, the Company had a total of nine Directors, covering different gender and age groups. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, business operation and accounting and financial management. We have three independent non-executive Directors who have different industry backgrounds, representing one-third of our Board members. Currently, two of our Directors are female. In addition, our senior management team also has one female member. The Company has reviewed the membership, structure and composition of our Board and senior management, and is of the opinion that the structure of our Board and senior management is reasonable, and the experience and skills of our Directors in various aspects and fields can enable the Company to maintain high standard of operation.

The composition of the Board of the Company is in compliance with the gender diversity requirement of the Board under the Listing Rules and the Company's Board diversity policy. The Company's existing Board diversity policy and nomination policy ensure that the Board will have potential successors available to support the existing diversity of the Board.

### ***Nomination policy***

The Company adopted the Director nomination policy.

According to the Director nomination policy, the Nomination Committee adopts the following selection procedures when recommending candidates for Directors:

- (1) The Nomination Committee shall actively communicate with all business and functional departments of the Company to study the Company's need for Directors;
- (2) The Nomination Committee may extensively look for suitable candidates among Substantial Shareholders, the Company and its subsidiaries, as well as relevant industry institutions and market institutions;
- (3) According to the criteria listed in the Company's Board diversity policy and Director nomination policy, identify and select the recommended candidates, and collect relevant information of the primary candidates to form written materials;
- (4) Obtaining the nominee's consent to the nomination, otherwise he/she cannot be taken as the recommended candidate;
- (5) Convening a meeting of the Nomination Committee to examine the qualifications of the primary candidates according to the qualifications of Directors;
- (6) Before the election of new Directors, providing relevant materials of the recommended candidates to the Board for consideration; and
- (7) Carrying out other follow-up work according to the Board's decisions and feedback.

## CORPORATE GOVERNANCE REPORT

In considering the nomination of recommended Director candidates, the Nomination Committee will take into account the Board diversity policy of the Company and abide by the following criteria:

- (i) The candidates will be recommended based on a series of diversified categories with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience;
- (ii) The impact of the proposed candidates on the structure and diversity of the Board;
- (iii) Whether the recommended candidates have the commitment to devote sufficient time and effectively perform his/her duties as Directors. Therefore, consideration should be given to the number and nature of positions held by the candidate in public companies or organizations, as well as other work burdens that the candidate has undertaken;
- (iv) Whether the proposed candidate has caused potential/actual conflicts of interest as a result of his/her election;
- (v) Industry status, professionalism and independence of independent non-executive Director candidates;
- (vi) As for the proposed re-appointment of the independent non-executive Director, the time period he/she has served in the Company; and
- (vii) Other factors that the Nomination Committee may consider relevant.

### **Remuneration Committee**

The Company established the Remuneration Committee on December 19, 2024, with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Remuneration Committee are to evaluate and make recommendations to our Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

The Remuneration Committee currently consists of one non-executive Director and two independent non-executive Directors. The members of the Remuneration Committee are currently Ms. Tong Naqiong, Mr. Wang Wenbin and Ms. Chiu Mun Wai. It is currently chaired by Ms. Tong Naqiong, an independent non-executive Director.

As the Company was listed on October 28, 2025, the Remuneration Committee did not hold any meetings during the period from the Listing Date to December 31, 2025.

### **Strategy Committee**

The Company established the Strategic Committee on December 19, 2024. The primary duties of the Strategy Committee are to devise and advise on the long-term strategy and material investment decisions of the Company.

The Strategy Committee currently consists of three executive Directors. The members of the Strategic Committee are currently Mr. Wang Wenli, Mr. Wu Qingbiao and Mr. Wang Kunheng. It is currently chaired by Mr. Wang Wenli, the Chairman of the Board and an executive Director.

As the Company was listed on October 28, 2025, the Strategy Committee did not hold any meetings during the period from the Listing Date to December 31, 2025.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FUNCTION

The Board recognizes that corporate governance should be the collective responsibility of the Directors and their corporate governance duties include:

- (a) to formulate, review and improve the corporate governance system and the implementation of the Company;
- (b) to review and supervise the training and continuous professional development of the Directors and senior management;
- (c) to review and supervise the compliance of the Company's policies with laws and relevant regulations of the securities regulatory authority where the Shares are listed and to make the relevant disclosure;
- (d) to formulate, review and monitor the code of conduct and compliance manual applicable to the employees and Directors of the Company; and
- (e) to review the Company's compliance with the Corporate Governance Code and the disclosure in the Corporate Governance Report.

During the period from the Listing Date to December 31, 2025, the above corporate governance function was performed and executed by the Board.

## BOARD EVALUATION

During the Reporting Period, the Board evaluated its effectiveness, led by the Chairman with the support of the senior management, with the aim of assessing the Board's performance and identifying opportunities for continuous improvement, thereby enhancing the Board's effectiveness.

The Board considers that it operated effectively during the Reporting Period. Its composition, size and structure remain appropriate to the Group's business needs, reflecting a diversity of perspectives and a desirable combination of skills and experience. The evaluation further included an analysis of the effectiveness of Board practices, and the Board's oversight of strategic direction, risk management, and various other initiatives. The evaluation also covered the performance of the Board Committees and individual Directors. Areas identified for further enhancement are being followed up through agreed actions and will continue to be monitored as part of the Board's ongoing commitment to effective governance and continuous improvement.

## CORPORATE GOVERNANCE REPORT

### BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND THE SHAREHOLDERS' GENERAL MEETING

The Board meetings are comprised of regular meetings and extraordinary meetings. Regular meetings of the Board shall be held at least 4 times every year, with about one meeting to be held in each quarter. The meetings shall be convened by the chairman, with the written notice to be given to all Directors, general manager, co-general manager and secretary of the Board at least 14 days before such meetings. Regular Board meetings shall exclude approval from the Board by circulation of written resolutions.

During the period from the Listing Date to December 31, 2025, the Company held one Board meeting and no shareholders' general meeting.

During the period from the Listing Date to December 31, 2025, the attendance record of each Director at the meetings of the Board, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee and the shareholders' general meetings is set out below:

Name of Director	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	Strategy Committee meeting	Shareholders' General meeting
<b>Executive Directors</b>						
Mr. Wang Wenli	1/1	–	–	N/A	N/A	N/A
Mr. Wu Qingbiao	1/1	–	–	–	N/A	N/A
Mr. Wang Kunheng	1/1	–	–	–	N/A	N/A
Mr. Wang Wenchao	1/1	–	–	–	–	N/A
Mr. Wang Wenlong	1/1	–	–	–	–	N/A
<b>Non-executive Director</b>						
Mr. Wang Wenbin	1/1	–	N/A	–	–	N/A
<b>Independent non-executive Directors</b>						
Ms. Chiu Mun Wai	1/1	1/1	N/A	–	–	N/A
Ms. Tong Naqiong	1/1	1/1	N/A	N/A	–	N/A
Mr. Wang Yuefei	1/1	1/1	–	N/A	–	N/A

*Note:* Attendance rate is not applicable to the meetings of Remuneration Committee, Nomination Committee, Strategy Committee and Shareholders' general meeting as the Company did not hold any relevant meetings during the period from the Listing Date to December 31, 2025, considering that it was listed on October 28, 2025, which was only approximately two months before the end of the Reporting Period.

# CORPORATE GOVERNANCE REPORT

## REMUNERATIONS OF THE DIRECTORS AND SENIOR MANAGEMENT

Details of Directors' remuneration are set out in note 8 to the audited consolidated financial statements. Remunerations paid to a total of 1 senior management (excluding the Directors) by remuneration band for the year ended December 31, 2025 are set out below:

Remuneration band	Number of individuals
Nil – HKD1,000,000	1

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors to conduct transactions of the Company's securities. The Company has made specific inquiries to Directors, and all Directors confirmed that they had complied with the required standards set out in the Model Code during the period from the Listing Date to December 31, 2025.

At the same time, our Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of our Company in respect of their dealings in our Company's securities. During the above-mentioned period, the Company was not aware of any case of non-compliance with the Model Code by the relevant employees.

## RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel for each stage of the production process. Our Directors (who are responsible for overseeing our corporate governance) with assistance from our legal advisors, periodically reviewed our compliance status with all relevant laws and regulations from the Listing Date to December 31, 2025.

Our Board is responsible for risk management and internal control systems and reviewing their effectiveness. Considering that the purpose of risk management and internal control system monitoring is to manage rather than eliminate the risk of failure to achieve business objectives, the Board can only reasonably, not absolutely guarantee that the above system and internal control can prevent any material misrepresentation or loss. From the Listing Date to December 31, 2025, the Board had reviewed the effectiveness of the risk management and internal control system and considers that, the Company's risk management and internal control systems are appropriate and effective for the purposes as required under the Corporate Governance Code.

## CORPORATE GOVERNANCE REPORT

Below is a summary of the internal control policies, measures and procedures we have implemented from the Listing Date to December 31, 2025:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. See “Directors, Senior Management and Employees” for the qualifications and experience of the committee members;
- adopt various policies to help ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- execute anti-corruption and anti-bribery compliance management on our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against noncompliance in employee handbooks;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- enhance our reporting and records system for production facilities, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programs on quality assurance and product safety procedures.

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- is aware of its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced as soon as reasonably practicable if it is the subject of a decision;
- conducts its affairs with close regard to the applicable laws and regulations; and
- has communicated to all relevant staff regarding the requirement under the applicable laws and regulations.

For further details of the Company’s risk management and internal control system, please refer to “Environmental, Social and Governance Report” in this annual report.

During the Reporting Period, no person with knowledge of inside information was found using inside information to buy and sell the Company’s Shares.

# CORPORATE GOVERNANCE REPORT

## JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Mr. Wang Wenlong and Mr. Cheng Ching Kit (“**Mr. Cheng**”).

Mr. Wang Wenlong is the executive Director and Secretary of Board of the Company, primarily responsible for general asset and financing management, investor relations management and information disclosure management.

Mr. Cheng Ching Kit, the other joint company secretary of the Company, is the assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司), a professional service provider specializing in corporate services. He acts as the contact person of the Company with the Stock Exchange and assists Mr. Wang Wenlong in his performance of duties as the joint company secretary of the Company. Mr. Cheng’s primary contact person at the Company is Mr. Wang Wenlong.

For the year ended December 31, 2025, each of Mr. Wang Wenlong and Mr. Cheng has taken no less than 15 hours of the relevant professional training.

## DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025 in accordance with statutory requirements and applicable accounting standards.

The Board is accountable to the Shareholders for a clear and balanced assessment on the Company’s financial position and prospects. The management of the Company provides all relevant information and records to the Board, which enables it to prepare the accounts and perform the above assessments.

The Audit Committee has reviewed and recommended to the Board to adopt the audited accounts for the year ended December 31, 2025. The Board is not aware of any material uncertainties relating to the events or conditions that may undermine the Company’s ability to continue as a going concern.

The report of the independent auditor of the Company on its reporting responsibilities on the financial statements of the Group is set out in the independent auditor’s report on page 137 to page 141.

## CORPORATE GOVERNANCE REPORT

### AUDITORS

KPMG was the auditor of the Company for the year ended December 31, 2025, and shall retire at the 2025 annual general meeting and, be eligible, will offer itself for re-appointment. A resolution for the re-appointment of KPMG as the auditor of the Company will be proposed at the 2025 annual general meeting. The table below sets out details of fees paid/payable for the year ended December 31, 2025 on audit and non-audit services provided by KPMG, the auditors of the Company:

Nature of Services	Remuneration <i>RMB'000</i>
<b>Audit services</b>	2,300
<b>IPO-related services</b>	
– Audit services	2,539
– IT consultancy services	559
– PN21 consultancy services	144
<b>Non-audit services</b>	
– Other services	200
<b>TOTAL</b>	5,742

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Shareholders' communication policy of the Company aims to maintain transparency and provide timely information of the major development of the Group to Shareholders and investors. General meetings of the Company are formal channels for communication between Shareholders and the Board. The Chairman and the chairman of each Board Committees (or, in their absence, other members of the respective committees) will make themselves available at the general meetings to have direct communication with the Shareholders.

Since the Listing Date, the Company has promptly published all corporate communications and regulatory announcements on the website of the Company and the website of the Stock Exchange, and considered it sufficient and effective in terms of investor protection.

Shareholders may also send their enquiries and concerns to the Board by addressing them to the Company at the following address or email address:

Address: 7th Floor, Huaduyuan Building, Dongmen South Road, Nanhu Street, Luohu District, Shenzhen, Guangdong Province, PRC

Email: [ir@bamatea.com](mailto:ir@bamatea.com)

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' RIGHTS

### **Requisition of Convening Extraordinary General Meeting by Shareholders**

In accordance with Article 60 to the Articles of Association, any shareholder(s) individually or jointly holding 10% or more of shares in the Company may submit a written requisition to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days after the resolution is passed by the Board. Any changes to the original proposals in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days upon receipt of the request, the shareholders individually or jointly holding 10% or more of the shares shall have the right to propose to the audit committee to convene an extraordinary general meeting. Requests shall be submitted to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, a notice of such meeting will be issued within 5 days upon receipt of the request. Any changes to the original proposals in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' general meeting within the prescribed time limit, the Audit Committee shall be deemed not to convene and preside over the shareholders' general meeting, and shareholders individually or jointly holding 10% or more of the shares of the Company with voting rights for more than 90 consecutive days may convene and preside over the meeting on their own.

## CORPORATE GOVERNANCE REPORT

### Putting Forward Proposals at General Meetings

In accordance with Article 65 to the Articles of Association, at a shareholders' general meeting of the Company, the Board, the Audit Committee, and any shareholder individually or collectively holding 1% or more of the Company's shares shall have the right to submit proposals.

Shareholders who individually or collectively hold 1% or more of the Company's shares may submit a written interim proposal to the convener no later than 10 days prior to the date of the shareholders' general meeting. Such interim proposals shall include clearly defined agenda items and specific matters for resolution. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' general meeting and submit the interim proposal to the shareholders' general meeting for consideration, unless the interim proposal violates the provisions of laws, administrative regulations or these Articles of Association, or does not fall within the terms of reference of the shareholders' general meeting. The Company shall not increase the proportion of shares held by shareholders who propose interim proposals. With respect to the issuance of supplementary notices of shareholders' general meetings, if there are special regulations for the securities regulatory rules of the place where the Company's share are listed, such regulations shall be followed without violating applicable regulations such as the Company Law, the Securities Law, and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies. If the shareholders' general meeting must be postponed due to the issuance of supplementary notice of the shareholders' general meeting according to the securities regulatory rules of the place where the Company's share are listed, the convening of the shareholders' general meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's share are listed.

Except under the circumstances specified in the preceding paragraph, once the notice of a shareholders' general meeting has been issued, the convener shall not amend any proposal set forth in the notice or introduce any new proposals.

Any proposal not included in the notice of the shareholders' general meeting or not in compliance with these Articles of Association shall not be submitted for voting or resolution at the shareholders' general meeting.

### THE ARTICLES OF ASSOCIATION

There were no changes to the Articles of Association during the period from the Listing Date to December 31, 2025.

# DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## EXECUTIVE DIRECTORS

**Mr. Wang Wenli (王文禮)**, aged 55, has been the Chairman and a Director of the Company since May 2011. Mr. Wang Wenli was re-designated as an executive Director on January 8, 2025. Mr. Wang Wenli is responsible for the overall strategic planning and day-to-day business operation of the Group.

Mr. Wang Wenli has more than 28 years of experience in tea manufacturing and trading business. Mr. Wang Wenli and Mr. Wang Wenbin established Shenzhen Xiyuan Tea Co., Ltd. (深圳市溪源茶業有限公司) in July 1997 and Mr. Wang Wenli served as the supervisor from July 1997 to May 2011.

Mr. Wang Wenli served as the vice chairman of the 11th, 13th and 14th Executive Committee of Quanzhou Federation of Industry and Commerce (Chamber of Commerce) (泉州市工商聯(總商會)) in November 2001, December 2011 and January 2017, respectively, vice chairman of the 12th Council of Quanzhou General Chamber of Commerce (泉州市總商會) in July 2007, and vice chairman of the Fourth Council of China Tea Marketing Association in December 2007. Mr. Wang Wenli has also been the vice chairman of the Second Council of Cross-Strait Tea Exchange Association (海峽兩岸茶業交流協會) since December 2021, re-elected as the vice chairman of the 13th Anxi County Committee of the CPPCC in December 2021; and re-elected as the chairman (president) of the 9th Executive Committee of the Anxi County Federation of Industry and Commerce (Chamber of Commerce) in December 2021. He has also been the vice chairman of the 15th Executive Committee of Quanzhou Federation of Industry and Commerce (Chamber of Commerce) since May 2022.

Mr. Wang Wenli obtained his diploma in history from Fujian Normal University (福建師範大學) in the PRC in May 1992. Mr. Wang Wenli was honored as a Representative Inheritor of Oolong Tea Production Skills (Tieguanyin Production Skills) (烏龍茶製作技藝(鐵觀音製作技藝)代表性傳承人) in the National Intangible Cultural Heritage Project (國家級非物質文化遺產項目) by the Ministry of Culture of the PRC (中華人民共和國文化部) in June 2009. Mr. Wang Wenli was honored as a Representative Inheritor of Oolong Tea Production Skills (Tieguanyin Production Skills) in the Traditional Tea Processing Techniques and Associated Social Practices in China (中國傳統製茶技藝及其相關習俗) which was officially inscribed on the UNESCO Representative List of the Intangible Cultural Heritage of Humanity in November 2022.

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. Wu Qingbiao** (吳清標), aged 52, has been a Director and the general manager of our Company since May 2009. Mr. Wu Qingbiao was re-designated as an executive Director on January 8, 2025. Mr. Wu is responsible for the overall management of day-to-day business operation of the Group.

Mr. Wu has more than 28 years of experience in tea manufacturing and trading business. In July 1997, Mr. Wu joined Shenzhen Xiyuan Tea Co., Ltd. (深圳市溪源茶業有限公司) and has been working in the Company since then.

Mr. Wu has been the deputy of the Seventh Shenzhen Municipal People's Congress (深圳市第七屆人民代表大會) since May 2021, and alumni tutor of Peking University HSBC Business School MBA Program (北京大學滙豐商學院 MBA 課程) since October 2022. He has served as the vice chairman of the Ninth Executive Committee (Council) of the Shenzhen Federation of Industry & Commerce (深圳市工商業聯合會(總商會)第九屆執委會(理事會)) since July 18, 2025.

Mr. Wu obtained his bachelor's degree in public relations from South China Normal University (華南師範大學) in the PRC in December 2011, and his master's degree in business administration from Peking University (北京大學) in the PRC in July 2013. Mr. Wu worked as a Senior Engineer (高級工程師) from Shenzhen Municipal Department of Human Resources and Social Security (深圳市人力資源和社會保障局) in May 2023, and a National Senior Tea Critic (國家高級評茶員) from Fujian Bama as accredited by Fujian Provincial Vocational Skill Testing and Guidance Center in December 2023. Mr. Wu was granted the China Time-honored Chinese Craftsman Award (中華老字號華夏工匠獎) by China Time-honored Brand Committee (中華老字號品牌委員會) in June 2023. In November 2025, he was recognized as the 1st Session of Outstanding Constructor of Socialism with Chinese Characteristics among Non-public Economic Personnel of Shenzhen City.

**Mr. Wang Kunheng** (王焜恆), aged 31, has been a Director of the Company since February 2024 and the co-general manager since October 2023. Mr. Wang Kunheng was re-designated as an executive Director on January 8, 2025. Mr. Wang Kunheng has also been serving as the general manager of supply chain center (供應鏈中心) of our Company since February 2021 and a director of Dike Catering since July 2017. Mr. Wang Kunheng is responsible for assisting the general manager in managing the day-to-day business operation of the Group.

Mr. Wang Kunheng joined the Group in July 2016 and successively served as the assistant director of supermarket management department (商超直營管理部) of the Company from July 2016 to July 2017, the general manager of innovation business department (創新事業部) of the Company from January 2019 to October 2022, and the general manager of human resources center (人力資源中心) from October 2022 to January 2024.

Mr. Wang Kunheng has also been the deputy of the Eighth Shenzhen Luohu District People's Congress since October 2021.

Mr. Wang Kunheng obtained his bachelor's degree in visual communication design from Yunnan University in the PRC in December 2021 and is currently enrolled in the EMBA program of China Europe International Business School (中歐國際工商學院) in the PRC.

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. Wang Wenchao (王文超)**, aged 50, has been a Director of the Company since January 2018, and the deputy general manager since October 2023. Mr. Wang Wenchao was re-designated as an executive Director on January 8, 2025. Mr. Wang Wenchao has also been a supervisor of Fujian Bama since September 2010. Mr. Wang Wenchao is in charge of the product center of the Company and responsible for its development strategy, tasks, business planning and implementation.

Mr. Wang Wenchao has more than 27 years of experience in tea manufacturing and trading business. Mr. Wang Wenchao served as our executive Director and manager from April 1998 to July 2001, from August 2001 to May 2002, and from July 2003 to February 2005. Mr. Wang Wenchao served as the director of research and development department, general manager of the product center and general manager of Pu'er business department (普洱茶事業部) of the Company from April 1998 to October 2023. Mr. Wang Wenchao also served as the chairman of the supervisory committee of the Company from May 2011 to September 2014.

Mr. Wang Wenchao was selected as the permanent honorary chairman of Shenzhen Anxi Chamber of Commerce (深圳市安溪商會) in November 2021, has been the honorary president of the Fujian Chamber of Commerce in Shenzhen (深圳市福建商會) since November 2025, and a supervisor of Fujian Anxi Xiyuan Investment Company Limited (福建省安溪溪源投資有限公司), a limited liability company established in the PRC and owned as to 51% by Mr. Wang Wenbin, as to 39% by Mr. Wang Wenli and as to 10% by Mr. Wang Wenchao, since June 2022.

Mr. Wang Wenchao has completed the CEO Leadership Program of Peking University HSBC Business School (北京大學滙豐商學院) in the PRC in February 2013.

**Mr. Wang Wenlong (王文龍)**, aged 39, has been the secretary of the Board since June 2024 and was appointed as a joint company secretary on October 2025 and an executive Director since January 2025. Mr. Wang Wenlong joined the Company in February 2024, responsible for general asset and financing management, investor relations management and information disclosure management.

Mr. Wang Wenlong has over 16 years of experience in the finance industry. From September 2009 to March 2011, Mr. Wang Wenlong worked at GF Securities Co., Ltd. (廣發證券股份有限公司), a company listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776). From April 2011 to March 2014, he worked at Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Stock Exchange (stock code: 3328), the Shanghai Stock Exchange (stock code: 601328) and the Over-The-Counter Bulletin Board (stock code: BCMXY). From April 2014 to May 2019, he served as a research director and investment manager of Shenzhen Yihu Investment Management Company Limited (深圳市翼虎投資管理有限公司). From June 2019 to February 2024, Mr. Wang Wenlong served as the investment director and general manager of Shenzhen Hengyue Asset Management Company Limited (深圳市恒悅資產管理有限公司).

Mr. Wang Wenlong obtained his bachelor's degree in physics from Shenzhen University (深圳大學) in the PRC, in June 2009 and his master's degree in finance from Peking University (北京大學) in the PRC, in July 2018.

Mr. Wang Wenlong obtained the qualification to serve as the secretary of the board of directors of listed companies (上市公司董事會秘書資格) from the Shenzhen Stock Exchange in May 2024, and China fund qualification certificate (中國證券投資基金業從業證書) from Asset Management Association of China (中國證券投資基金業協會) in October 2019.

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### NON-EXECUTIVE DIRECTOR

**Mr. Wang Wenbin (王文彬)**, aged 58, has been a Director of our Company since May 2011. Mr. Wang Wenbin was re-designated as a non-executive Director on January 8, 2025. Mr. Wang Wenbin is mainly responsible for providing guidance for the overall development of our Group.

Mr. Wang Wenbin has more than 28 years of experience in tea manufacturing and trading business. Mr. Wang Wenbin and Mr. Wang Wenli established Shenzhen Xiyuan Tea Co., Ltd. (深圳市溪源茶業有限公司) in July 1997 and they have been working in the Company since then. Mr. Wang Wenbin served as our executive Director and manager from July 1997 to April 1998, from July 2001 to August 2001, from May 2002 to July 2003 and from February 2005 to May 2009.

Mr. Wang Wenbin has served as the executive vice chairman of the First Council of Guangdong Fujian Chamber of Commerce (廣東省福建商會) in June 2011 and was selected as the permanent honorary chairman of Shenzhen Quanzhou Chamber of Commerce (深圳市泉州商會) in November 2011. Mr. Wang Wenbin has also been an executive director and general manager of Fujian Anxi Xiyuan Investment Company Limited (福建省安溪溪源投資有限公司), since August 2015.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Ms. Chiu Mun Wai (招敏慧)**, aged 56, has been an independent non-executive Director of the Company since January 2025. Ms. Chiu is responsible for supervising and providing independent judgment to the Board.

Ms. Chiu has over 30 years of experience in audit, financing and accounting industries. Ms. Chiu joined KPMG (Hong Kong) (畢馬威會計師事務所(香港)) in August 1991 and served as a partner of KPMG Huazhen LLP Shenzhen branch (畢馬威華振會計師事務所(特殊普通合伙)深圳分所) from July 2005 to March 2018. From August 2018 to December 2019, Ms. Chiu served as the vice chief financial officer of SCPG Capital Company Limited (印力資本管理有限公司).

Ms. Chiu Mun Wai has been serving as an independent non-executive director of China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司) (stock code: 3320) and China Communications Services Corporation Limited (中國通信服務股份有限公司) (stock code: 0552), each listed on the Hong Kong Stock Exchange, since May 2025.

From April 2011 to March 2017, Ms. Chiu was also a member of the Appeal Review Committee of the Shenzhen Stock Exchange (深圳證券交易所上訴覆核委員會).

Ms. Chiu obtained her bachelor's degree in law from Peking University in the PRC in July 1999 and her master's degree in science, majoring in finance, from the Chinese University of Hong Kong in December 1999. Ms. Chiu has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants (香港會計師公會註冊會計師) since January 1995.

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

**Ms. Tong Naqiong (童娜瓊)**, aged 46, has been an independent non-executive Director of the Company since January 2021. Ms. Tong is responsible for supervising and providing independent judgment to the Board.

Ms. Tong has more than 14 years of experience in the accounting and business industry. From August 2011 to July 2019, Ms. Tong was an assistant professor of Peking University Shenzhen Graduate School HSBC Business School in the PRC, where she has then been serving as an associate professor since August 2019.

Ms. Tong has been serving as an independent director in Beijing AVIC TEDA Environmental Protection Technology Company Limited (北京中航泰達環保科技股份有限公司), a company listed on Beijing Stock Exchange (stock code: 836263) since May 2020. Ms. Tong was an independent director of MingYuan Cloud Group Holdings Limited (明源雲集團控股有限公司), a company listed on the Stock Exchange (stock code: 0909) from September 2022 to September 2024 and Guangdong Piano Customized Furniture Co., Ltd. (廣東皮阿諾科學藝術家居股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002853) from December 2023 to June 2025, respectively.

Ms. Tong obtained her Ph.D. degree in accounting from Rutgers University (美國羅格斯大學) in the United States in October 2009. Ms. Tong has obtained the qualification to serve as independent director of listed companies (上市公司獨立董事資格) from the Shenzhen Stock Exchange in August 2014. Ms. Tong has been a certified public accountant of the United States since April 2011.

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. Wang Yuefei (王嶽飛)**, aged 58, has been an independent non-executive Director of the Company since February 2024. Mr. Wang Yuefei is responsible for supervising and providing independent judgment to our Board.

From August 1995 to November 2012, he successively served as a teaching assistant, lecturer and associate professor in the Department of Tea Studies of the College of Agriculture and Biotechnology of Zhejiang University (浙江大學農業與生物技術學院茶學系) in the PRC. Mr. Wang Yuefei was appointed as a professor of the Department of Tea Studies of the College of Agriculture and Biotechnology of Zhejiang University in December 2012.

Mr. Wang Yuefei has also been the National Chief Science Communication Tea Expert in the fields of Tea Science, Tea Biochemistry and Tea Health at China Association for Science and Technology (中國科學技術協會茶學、茶葉生物化學與茶健康領域首席科學傳播專家) since February 2019, vice president of China International Tea Culture Research Association (中國國際茶文化研究會) since December 2021, president of Zhejiang Tea Society (浙江省茶葉學會) since February 2022, a member of the Eighth Discipline Evaluation Group of the Academic Degree Office of the State Council (Secretary-General of the Horticulture Discipline Group) (國務院學位委員會第八屆學科評議組成員(園藝學科組秘書長)) since March 2022, vice president of China Tea Society (中國茶葉學會) since November 2022, and a member of Tea Expert Steering Group of the Ministry of Agriculture and Rural Development of the PRC (中華人民共和國農業農村部茶葉專家指導組) since December 2023.

Mr. Wang Yuefei obtained his doctoral degree in tea science from Zhejiang University (浙江大學) in the PRC, in March 2005.

Mr. Wang Yuefei was awarded the honorary title of “Outstanding Chinese Teaman” by the Chinese Teaman Friendship Association (中華茶人聯誼會), China International Tea Culture Institute (中國國際茶文化研究會) and the Cross-Strait Tea Industry Exchange Association (海峽兩岸茶業交流協會) in November 2020. Mr. Wang Yuefei was honored as an Advanced Individual of Teachers’ Virtues in Zhejiang Province (浙江省師德先進個人) by the Chinese Society of Education Zhejiang Committee (中國教育工會浙江省委員會) in August 2013 and a 2017 National Advanced Individual for Science and Technology Contribution to Targeted Poverty Alleviation (2017 年度全國科技助力精準扶貧先進個人) by the China Association for Science and Technology (中國科學技術協會) in March 2018. Mr. Wang Yuefei also received the 2014 Baosteel Outstanding Teacher Award (2014 年度寶鋼優秀教師獎) from Baosteel Education Fund (寶鋼教育基金會) in November 2014, the Yongping Outstanding Teaching Contribution Award (永平傑出教學貢獻獎) from Zhejiang University in September 2015, and the State Scientific Innovation and Pioneer Award (全國創新爭先獎狀) granted by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源社會保障部), China Association for Science and Technology, the Ministry of Science and Technology of the PRC, and the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) in May 2020. He received the Special Prize for Teaching Achievement from Zhejiang University in June 2025, and the First Prize for Teaching Achievement from the People’s Government of Zhejiang Province in September 2025.

# DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## SENIOR MANAGEMENT

For biography of Mr. Wu Qingbiao, Mr. Wang Kunheng, Mr. Wang Wenchao and Mr. Wang Wenlong, please refer to “EXECUTIVE DIRECTORS” above.

**Ms. Shi Hejing (師鶴靜)**, aged 40, has been the chief financial officer of the Company since February 2024 and is responsible for the overall financial and capital management of the Group.

Ms. Shi has more than eight years of experience in financial management. From October 2015 to June 2018, Ms. Shi worked at Zhongtai Securities Company Limited (中泰證券股份有限公司). From July 2018 to June 2021, she worked at Fujian Ideal Jewelry Industrial Company Limited (福建省愛迪爾珠寶實業股份有限公司). Ms. Shi joined our Company in July 2021 and served as a deputy chief financial officer from July 2021 to February 2024.

Ms. Shi obtained her bachelor’s degree in international economics and trading from Harbin Institute of Technology (哈爾濱工業大學) in the PRC, in July 2010, and her master’s degree in finance from Zhejiang University of Finance and Economics (浙江財經大學) in the PRC, in March 2014. She was honored as a Luohu District Industrial Innovation Leader (羅湖區產業創新領軍人才) by Shenzhen Luohu District Human Resources Bureau (深圳市羅湖區人力資源局) in January 2024. Ms. Shi was granted the PRC CPA qualification by the Certified Public Accountant Examination Committee of the Ministry of Finance of the PRC (中華人民共和國財政部註冊會計師考試委員會) in December 2015.

## JOINT COMPANY SECRETARIES

Mr. Wang Wenlong. Please refer to “EXECUTIVE DIRECTORS” above for the biographical details of Mr. Wang Wenlong.

Mr. Cheng Ching Kit (鄭程傑), is one of the joint company secretaries of the Company. Mr. Cheng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司), a professional service provider specializing in corporate services. He has over 13 years of experience in the corporate secretarial field.

Mr. Cheng obtained a bachelor of commerce degree in finance from the University of Queensland in Australia, and his master’s degree in Chinese law from the University of Hong Kong. Mr. Cheng has been an associate member of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom (英國特許公司治理公會) since June 2018.

# DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

## STAFF INFORMATION

### Staff Composition

As at December 31, 2025, the Group had 1,950 full-time employees. Set out below is a breakdown of the number of staff by function:

<b>Gender</b>	<b>Number of employees</b>
Male employees	461
Female employees	1,489
<b>Total</b>	<b>1,950</b>

As of December 31, 2025, the percentage of male employees and female employees (including senior management) were 23.6% and 76.4%, respectively. The Company fully respects individual differences in talent, creates a professional, inclusive and diverse work environment in the workplace, and is committed to providing equal opportunities for its employees. The Company believes that the current gender ratio of employees (including senior management) is appropriate to the characteristics of the industry and is satisfactory. The Company expects to continue to maintain a reasonable level of gender diversity with respect to its employees, including senior management.

### Employee Training

We have an effective training system. In May 2020, we launched the “Fortune Creation Academy” online platform. Through providing online courses on, among others, product expertise, employee career management, store operations and sales skills, we seek to continuously improve our employees’ professional skills. We created a variety of trainings and programs in connection with various aspects of our businesses, such as product launches, online tea tastings and online knowledge competitions, to offer our employees personalized training.

### Employee Social Security Plans

We participated in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. We also purchased commercial health insurance for our Directors and key personnel, purchased accidental insurance for our production staff and purchased comprehensive travel insurance for our staff during overseas business travel. We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees

Retired employees are entitled to the social pension insurance scheme approved by local labour and social security authorities, which is a defined contribution plan and should be made monthly contribution by the Group. Details of the pension scheme are set out in notes 2 and 6 to the financial statements.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

Bama Tea Co., Ltd. (hereinafter referred to as “Bama Tea,” “the Company,” or “we”) is pleased to release its first Environmental, Social and Governance (the “ESG”) Report (this “Report”). Bama Tea remains committed to the values of “Integrity, Altruism and Genuine Craftsmanship (正・利他・真本事)”, and continuously pays attention to and actively responds to the expectations of stakeholders. It is dedicated to exploring sustainable development practices and discloses our efforts, performance and achievements in this Report.

### Reporting Scope

The disclosure scope of this Report aligns with that of the 2025 annual report, covering the branches, subsidiaries and directly affiliated institutions of Bama Tea Co., Ltd. The time frame of this Report covers the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”). To enhance the comparability and forward-looking nature of the Report, some of the content has been extended. The information and cases cited herein are all derived from the Company’s statistical reports or public documents.

The Company guarantees that there are no false records, misleading statements or material omissions in the content of this Report, and assumes corresponding responsibility for the truthfulness, accuracy and completeness of its content.

### Reporting Reference Standards and Basis

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with further reference to the International Financial Reporting Standards S1 – General Requirements for Disclosure of Sustainability-related Financial Information (“S1”) and International Financial Reporting Standards S2 – Climate-related Disclosures (“S2”) issued by the International Sustainability Standards Board (ISSB), as well as the United Nations Sustainable Development Goals (the “SDGs”), and in strict compliance with the principles of “materiality”, “quantification”, “balance”, and “consistency.”

Materiality	This Report has identified the major stakeholders and the ESG issues of concern to each stakeholder during the preparation process, and has made targeted disclosures in this Report according to the relative importance of the issues of concern.
Quantification	This Report presents key performance indicators related to environmental and social aspects using quantitative data, and provides explanations regarding their measurement standards, methodologies, assumptions, calculation tools and the sources of the conversion factors used.
Balance	This Report presents relevant information on an objective basis, ensuring that the content reflects the sustainable development performance during the Reporting Period in an unbiased manner.
Consistency	We will adopt a consistent statistical methodology for the preparation of ESG reports in subsequent years. Explanations will be made on any individual change.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Report Availability

This Report is published in both traditional Chinese and English. In the event of any discrepancies, the Chinese version shall prevail. Stakeholders can access this Report on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the Company's official website (<https://www.bamatea.com/>).

## Board Statement

The Board serves as the highest decision-making body for the Company's ESG matters and bears ultimate responsibility for the Company's ESG strategy and this Report. Through the ESG Committee, the Board coordinates and supervises the ESG-related matters of the Company, reviews material ESG risks, and monitors the progress of ESG target implementation, ensuring the effective execution of the Company's ESG strategy.

The Board places high importance on the expectations of its stakeholders. It continuously engages in communication with stakeholders to conduct ESG materiality assessments, refine ESG strategies and policies, and set ESG management targets. The Board reviews the results of the ESG materiality assessment, examines progress against targets, and considers any necessary adjustments or improvements on an annual basis, ensuring the Company's ESG performance is continuously optimised.

This ESG Report provides a detailed disclosure of Bama Tea's progress and achievements in its ESG efforts for the year 2025, which had been reviewed and approved at the Board meeting held on March 27, 2026.

## SUSTAINABILITY MANAGEMENT

### ESG Governance System

Bama Tea places great importance on sustainable development, and makes active efforts to implement and continuously develop effective measures to integrate ESG principles into all key aspects of its business operations. We have established an ESG governance system with the Board as the highest decision-making level, and have the Strategy Committee under the Board, the ESG Working Group and a Sustainable Development Promotion Working Group in place, forming a top-down, three-tier management structure of "Decision-Making Level – Organizational Management Level – Execution Level", which are responsible for the decision-making, supervision and coordination, and implementation and advancement of the Company's ESG strategy, respectively. We execute and implement sustainability initiatives by clearly defining sustainable development work objectives, deepening the understanding of sustainable development across all departments, and advancing a company-wide sustainable development management indicator system.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Strategy Committee under the Board	Decision-Making Level	<ul style="list-style-type: none"> <li>• Comply with the Stock Exchange's Environmental, Social and Governance Reporting Code and related guidelines;</li> <li>• Monitor and review the Group's ESG strategy, goals and targets;</li> <li>• Monitor ESG risk and climate-related risk management mechanisms and regularly assess their effectiveness;</li> <li>• Evaluate ESG and climate-related opportunities in accordance with our ESG-related policies; and</li> <li>• Review existing progress against ESG goals and targets and review relevant disclosures.</li> </ul>
ESG Working Group	Organizational Management Level	<ul style="list-style-type: none"> <li>• Coordinate the planning, promotion and implementation of ESG work;</li> <li>• Monitor the progress of strategy implementation and review the annual work plan; and</li> <li>• Identify and evaluate substantive issues of sustainable development and establish working mechanisms for planning, monitoring and evaluation of key issues.</li> </ul>
Sustainable Development Promotion Working Group	Execution Level	<ul style="list-style-type: none"> <li>• Discuss and formulate annual sustainability goals and plans with various departments of our Group;</li> <li>• Maintain communication with internal and external stakeholders and actively respond to inquiries from relevant parties; and</li> <li>• Implementing and enforcing ESG-related policies, procedures and measures approved by the Board.</li> </ul>

Figure: ESG Governance Structure

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Stakeholder Communication

We are committed to building effective communication mechanisms, while establishing close ties with our stakeholders. Through diverse channels such as face-to-face meetings, on-site visits, information release platforms, our official website, official Weibo, WeChat, service hotlines, new media platforms, email and conference calls, we engage in more proactive, extensive communication with stakeholders, to effectively convey the Company's development achievements and strategic plans to them in a comprehensive manner. Furthermore, during the preparation of the Report, we actively collect, identify and respond to issues of concern to our stakeholders, and integrate them into the Company's relevant decision-making, thus creating greater value for our stakeholders and enhancing the Company's capacity for sustainable development.

Stakeholder	Areas of Concern	Communication Channels and Response Measures
Consumers	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Smooth communication and feedback channels</li> <li>Product diversification</li> <li>Comprehensive customer service</li> </ul>	<ul style="list-style-type: none"> <li>Maintain zero safety incidents in product quality</li> <li>Establish multiple online and offline communication channels</li> <li>Improve customer complaint handling mechanism</li> <li>Continuously launch new products</li> <li>Value customer interaction</li> </ul>
Shareholders and Potential Investors	<ul style="list-style-type: none"> <li>Compliant operations and preventing operational risks</li> <li>Stable investment returns</li> <li>Timely information disclosure on material matters</li> <li>Innovation and sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Maintain good economic performance</li> <li>Sustained compliant and stable operations</li> <li>Organizing general meetings or special meetings</li> <li>Timely publication of annual reports, interim reports and information on announcements</li> <li>Conducting roadshow exchanges and other events</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder	Areas of Concern	Communication Channels and Response Measures
Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Paying taxes according to law</li> <li>Leading industry development</li> <li>Driving rural revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation with supervision, assessment and audits</li> <li>Conducting thematic reports and meetings</li> <li>Regular information disclosure as required</li> <li>Continuous routine supervision and management</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protection of basic rights and interests</li> <li>Safe and healthy workplace environment</li> <li>Sound remuneration and welfare guarantee</li> <li>Diversified career development platform</li> </ul>	<ul style="list-style-type: none"> <li>Legal and compliant recruitment</li> <li>Managing employee safety and health</li> <li>Assuring reasonable compensation and benefits</li> <li>Provision of training and promotion pathways</li> <li>Carrying out democratic communication and consultation</li> </ul>
Partners (Suppliers & Franchisees)	<ul style="list-style-type: none"> <li>Adherence to business ethics, honesty and trustworthiness</li> <li>Mutual benefit and win-win, common growth</li> <li>Sustainable development of the industrial chain</li> </ul>	<ul style="list-style-type: none"> <li>Full lifecycle industrial chain management</li> <li>Supporting the common growth of industrial chain partners</li> <li>Strengthening information communication and exchange</li> <li>Organizing assessments, field investigations and visits</li> <li>Carrying out strategic cooperation projects</li> </ul>
Community	<ul style="list-style-type: none"> <li>Charitable and public welfare activities</li> <li>Strengthening media communication and announcements of material matters</li> <li>Supporting community progress and development</li> </ul>	<ul style="list-style-type: none"> <li>Charitable donations and volunteer activities</li> <li>Rural revitalization assistance</li> <li>Dynamic communication and information disclosure via official website and social media</li> <li>Offline tasting events and other exchanges</li> <li>Media interviews and response to public opinions</li> </ul>

Table: Stakeholder Communication Methods

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Material Topics Analysis

We refer to the Sustainability Accounting Standards issued by the Sustainability Accounting Standards Board (the “SASB”) to identify various topics of concern to our stakeholders, and have established a normalized, multi-channel communication mechanism that ensures timely responses. Under the guidance of the Strategy Committee and the ESG Working Group, we are progressively standardizing the three key steps of our ESG materiality analysis: identification and research, screening and assessment, and review and confirmation.

Step 1	Identification and Research of Material Topics	The Company takes into full consideration the characteristics of industry development, its own operational status, stage of business development and the information disclosure requirements of sustainable development policies to identify 22 material topics.
Step 2	Screening and Assessment of Material Topics	Through stakeholder questionnaires, communication and interviews, a comprehensive scoring is conducted in terms of two dimensions of importance to stakeholders and importance to Bama Tea. Feedback and expectations regarding the Company’s ESG performance are also collected.
Step 3	Review and Confirmation of Material Topics	The analysis results and the disclosure focus of this Report are confirmed based on the materiality matrix, and responses are provided in the Report. Corresponding targeted measures are implemented to provide a decision-making reference for the Company’s next steps in sustainable development.

Table: ESG Material Topics Analysis Process

Topic No.	Topic Category	Topic Name
1	Governance Topics	Compliance Operation and Risk Control
2		Stakeholder Communication
3		Business Ethics and Anti-corruption
4		ESG Governance System
5	Environmental Topics	Greenhouse Gas Emission Management
6		Use of Resource
7		Use of Energy
8		Pollutant Emission Management
9		Waste Discharge Management
10		Biodiversity Protection
11		Addressing Climate Change
12		Circular Economy

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Topic No.	Topic Category	Topic Name
13	Social Topics	Product Quality Management
14		Food Safety Management
15		Customer Satisfaction Management
16		Supply Chain Management
17		Employees' Rights and Remuneration and Benefits
18		Occupational Health and Safety
19		Talent Development and Diversified Growth
20		Rural Revitalization
21		Charity and Public Welfare
22		International Cultural Exchange

Table: Identified ESG Material Topics



Figure: ESG Materiality Matrix

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 01 INHERITING THE TEA CEREMONIES AND PRIORITIZING GOVERNANCE

As a responsible tea enterprise, Bama Tea always operates with integrity. With commitment to the principle of “inheriting the tea ceremonies and prioritizing governance (茶道傳承、治理先行)”, we continuously enhance corporate governance efficiency, optimise our risk management system, strengthen business ethics awareness, and safeguard network and information security, cultivating a sound internal and external governance environment.

Response to SDGs:



### 1.1 Corporate Honors

Bama Tea strictly adheres to the requirements of relevant laws and regulations in the jurisdictions where it operates, upholds compliant operations and seeks business development opportunities through steady practices. In 2025, we achieved numerous accomplishments in the areas of brand building and business expansion. Relevant honors are set out below:

Honors	Awarding Institution
Ranking First in the 2025 China Tea Enterprise Brand Survey TOP50 (2025 中國茶企業品牌調查結果 TOP50 第一名)	China Tea Marketing Association, China Economic Information Service of Xinhua News Agency (新華社中國經濟信息社)
2025 Key Enterprise with Comprehensive Influence in the Tea Industry (2025 年度茶業綜合影響力骨幹企業)	China Tea Marketing Association
Key Tea Enterprise of the Year 2025 (2025 年度茶葉重點企業)	China Tea Marketing Association
2025 Hurun China Tea Industry Model Enterprise List (2025 胡潤中國茶葉領域典範企業榜)	Hurun Report (胡潤百富)
Official Tea for the 2025 SCO Tianjin Summit (2025 年上合組織天津峰會官方用茶)	Shanghai Cooperation Organisation Summit
Key Tax Contribution Enterprise of Nanping City of the Year 2025 (南平市 2025 年度納稅重要貢獻企業)	Nanping Municipal Committee of the CPC and Nanping Municipal People's Government
Top 100 Private Enterprises by Tax Payment of the Year 2025 (2025 年度民營經濟納稅百強企業)	Quanzhou Municipal People's Government

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1.2 Risk Management

### *Risk Management System*

The Company has established and continuously improves its risk management system, providing robust control over the achievement of the Company's strategy, operational targets and performance goals.

Line of Defense	Responsible Body	Primary Responsibility
First Line of Defense	Various business departments and operational support functional departments	As the execution level, each of the business department is responsible for addressing various risks that may arise on the front lines of production and operation, and actively conducts self-inspections and self-controls to make responses in a prompt and effective manner.
Second Line of Defense	Internal control and compliance team, along with risk-focused monitoring departments such as the Finance Department and Legal Department.	As the professional risk supervisors and supporters, they coordinate the establishment of the Company's risk control system and lead company-wide risk identification and assessment; bridge the first and third lines of defense, providing professional guidance and daily supervision to the first line of defense, and tracking the implementation of corrective actions for issues identified by the third line of defense.
Third Line of Defense	Internal Audit Department and external audit	The Audit Department and external audit operate with a high degree of independence. They oversee the operation of the Company's internal risk management system, conduct independent audits and assessments, to assure the effectiveness of the first and second lines of defense.
Highest Supervision	The Board and the Audit Committee	The Board and the Audit Committee oversee the effectiveness of the risk management system and the Board bears the ultimate responsibility for the risk management system.

Table: Risk Management System

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Risk Control Process***

Bama Tea is dedicated to continuously optimizing its risk management system and enhancing its risk prevention and control capabilities. The risk control process is applied to risk assessments in key areas such as production quality control, supply chain management, funding operations and sustainable development, ensuring that risk awareness is embedded in all aspects of the Company's business operations.

Risk Identification	<ul style="list-style-type: none"> <li>• Develop a risk list</li> <li>• Investigate internal and external risk events</li> <li>• Conduct interviews and discussions</li> </ul>
Risk Assessment	<ul style="list-style-type: none"> <li>• Perform qualitative analysis: high, medium, low</li> <li>• Perform quantitative analysis: impact on revenue, etc.</li> </ul>
Risk Prioritization	<ul style="list-style-type: none"> <li>• Impact dimension: extremely high, very high, high, medium, low, relatively low, very low</li> <li>• Likelihood: extremely high, very high, high, medium, low, relatively low, very low</li> </ul>
Risk Response Planning	<ul style="list-style-type: none"> <li>• Define risk tolerance</li> <li>• Develop response plans: avoid, mitigate, transfer, accept</li> <li>• Control remaining risks within risk tolerance</li> <li>• Consider the cost, benefit, impact and probability of risk responses</li> </ul>
Risk Response Monitoring	<ul style="list-style-type: none"> <li>• Develop risk management templates</li> <li>• Regularly review, update and report on risk response status</li> </ul>
Risk Reporting	<ul style="list-style-type: none"> <li>• Escalate risk treatment status to management</li> </ul>

To ensure the continued effectiveness of risk management measures, the Company complies with laws and regulations such as the Audit Law of the People's Republic of China. It conducts internal oversight through the Internal Audit Department, regularly updates and strictly executes internal audit plans based on business priorities. At the same time, the Company closely monitors the effectiveness of internal audit and control efforts, ensuring that all relevant corrective measures are properly implemented.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1.3 Business Ethics

The Company adheres to the principle of integrity in its operations and strictly complies with laws and regulations such as the Constitution of the People's Republic of China (《中華人民共和國憲法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), and the Prevention of Bribery Ordinance (《防止賄賂條例》). It abides by the code of business conduct, participates in market competition in a lawful and compliant manner, and opposes any form of corruption, bribery, money laundering, monopoly or unfair competition practices.

### *Anti-Monopoly and Anti-Unfair Competition*

The Company strictly implements the Anti-Monopoly Law of the People's Republic of China, operating in a lawful and compliant manner. Externally, it participates in market competition in an open, just and fair way, promoting the healthy development of the industry. Internally, it strengthens the internal operational management, and consciously accepts social supervision, effectively protecting the legitimate rights and interests of consumers.

The Company has established the Audit and Inspection Management System (《稽查管理制度》) and set up an Audit and Inspection Team under the Legal Department to implement the Company's unified pricing policy system by adhering to the principles of "fairness and justice", "equality for everyone before the law and company rules", "rapid response and efficient feedback" and "integrity and self-discipline". The Team conducts daily supervision and spot-checks on product sales activities across online and offline channels. It also carries out special investigations into potential disruptions to reasonable market pricing that may arise from the Company's franchisees, self-operated stores, online e-commerce stores and or unauthorized third-party companies. An orderly pricing is ensured and the long-term interests of the Company and its partners is safeguarded through efforts in assessments and project approval, evidence collection and investigation, enforcing relevant management regulations of the Company, implementing reward and punishment measures, issuing audit and inspection reports, participating in reviews, and overseeing the execution of rewards and punishments.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Anti-fraud and Anti-corruption*

The Company has zero tolerance for fraudulent activities. It has formulated and implemented internal systems such as the Anti-Fraud and Whistleblowing Management Measures (《反舞弊及舉報投訴管理辦法》) and the Anti-Money Laundering Management Measures (《反洗錢管理辦法》), which clearly define the specific requirements for anti-corruption, anti-bribery and anti-money laundering efforts across various stages including risk assessment, prevention and control, whistleblowing, investigation and reporting, guidance and supervision, and remediation and punishment. The Company has established a management committee to create a top-down, closed-loop anti-fraud management, specifying the responsibilities associated with anti-fraud work.

Management Committee	Urge management to establish an anti-fraud culture and to build a sound internal control system including fraud prevention.
Management	Establish a sound internal control mechanism, set up reporting and complaint channels, prevent and detect fraud, implement control measures, and take appropriate and effective remedial measures and penalties for fraudulent behavior.
Legal Department	As the Company's permanent anti-fraud body, it is responsible for handling reports of fraud cases, keeping written records, and reporting to management in a timely manner.
All Employees	Comply with relevant laws and regulations, industry norms and standards, professional ethics, and the Company's rules and policies. Any discovered potential fraudulent activity will be reported to the Legal Department.

Table: Responsibilities of Anti-Fraud Work

Internally, the Company has formulated the Bama Staff Code of Conduct (《八馬員工行為準則》), which also provides detailed specifications for supervision, reporting and reward and punishment procedures, to ensure that the concept of integrity permeates every aspect of business operations, thus achieving comprehensive and standardized behavioral management. The Legal Department of the Company enhances employees' legal awareness and reinforces the Company's ethical standards through training and promotional activities. Management at all levels are required to lead by example, maintain integrity and self-discipline, and uphold a "zero-tolerance" stance towards fraud, bribery, corruption and other violations of laws and regulations. During the Reporting Period, all Directors of the Company participated in one anti-corruption training session for a total of one hour.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Regarding partners along the industrial chain, the Company promotes Bama Tea's corporate culture of "Integrity" and adheres to the principles of "openness, fairness, and justice" in transactions, in an aim to establish simple, win-win partnerships with our partners. It clearly communicates business ethics requirements, including anti-bribery and anti-unfair competition, to all suppliers, and requires its partners to sign an Honesty and Integrity Agreement (《廉潔協議書》) before entering into any cooperation with the Company. Furthermore, the Company implements a "double-blind" segregation system during supplier qualification screening and sample evaluation stages by uniformly processing samples provided by different suppliers with all identifiers removed, to ensure that various business departments evaluate and select suppliers based on factors such as product and service quality, thereby isolating the risk of commercial bribery.

During the Reporting Period, Bama Tea was not involved in any corruption litigation cases filed against the Company or its employees, nor did it experience any incidents of non-compliance related to corruption, conflicts of interest, money laundering or insider trading.

### ***Whistleblowing and Complaint Management***

The Company provides various whistleblowing channels for all employees, suppliers, franchisees, and consumers, including a whistleblowing platform, dedicated telephone hotline, enterprise WeChat and email. The Company's internal Audit and Inspection Team and Legal Department will assign dedicated personnel to handle reported information on a case-by-case basis, trace issues back to their source and conduct special investigations.

Public whistleblowing channels	
Official Website of the Company	<a href="https://www.bamatea.com/The%20whistleblowing%20column">https://www.bamatea.com/The whistleblowing column</a>
Company Hotline	400 8828 528
Enterprise WeChat	Treasure Suggestion Box
Email of the Audit and Inspection Team	<a href="mailto:bamajc@bamatea.com">bamajc@bamatea.com</a>
Official Online Store of the Company, Weibo, etc.	Private message to customer service

The Company has established a clear whistleblower protection mechanism, stipulating that all employees who have an access to reported information are subject to strict confidentiality requirements. Strict confidentiality measures are applied to all reported content and the identities of whistleblowers. The Company takes reasonable measures to ensure the safety of whistleblowers and witnesses, safeguard their legitimate rights and interests in accordance with the law. Retaliation against whistleblowers and informants is strictly prohibited. Violators will be severely dealt with, and those suspected of violating the law or committing crimes will be held accountable according to the law.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 1.4 Information Security

The Company strictly complies with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》), the Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》), and the Personal Data (Privacy) Ordinance, and has formulated and implemented the Cybersecurity Management Regulations (《網絡安全管理制度》). An Information Center has been established to internally define the overall corporate strategy and policies for network and information security, and supervise and coordinate network security efforts. Concurrently, a security operation and maintenance team has been set up to coordinate and plan network security management, with the ongoing implementation of security management for computer rooms, operational maintenance security for network equipment, security management for network information systems, and network information security management.

The Company makes further efforts to strengthen full-chain network management by formulating operational maintenance specifications and workflows, enhancing security control measures for computer rooms, office environment and maintenance sites, and optimizing management protocols for account administration, information verification, routine inspections and emergency response, while conducting classified protection of information security filing in accordance with laws and regulations. We conduct regular security self-assessments in various forms, including documentation verification, vulnerability scanning, and penetration testing, to promptly identify potential issues and hidden dangers. In response to emergencies, we have developed comprehensive contingency plans and organized emergency drills to effectively address security incidents such as network outages, cyberattacks and information leaks, thereby improving our ability to respond to cybersecurity events.

We have clearly defined the management of access to information system of the Company by implementing the Management System for Access to Information Systems (《信息系統權限管理制度》), to ensure effective administration of user privileges, system passwords, data backup and security, thereby eliminating the risk of privilege escalation. Furthermore, a special system is in place for managing the permissions of super administrators and privileged users. In accordance with the principle of least privilege, we specify the scope of such permissions in a way that achieves the separation, checks and balances and supervision of permissions at all levels.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For business scenarios that may involve the collection of personal information, we have formulated the Personal Information Protection Management Measures (《個人信息保護管理辦法》), and collect and process personal information subject to the individual's consent in the principles of legality, legitimacy, necessity and good faith. We clearly define key information regarding the methods, purposes, frequency and necessity of the collection of personal information, user authorization methods, storage methods, information retention periods and procedures for handling overdue information. Additionally, we have developed clear and understandable privacy policies and authorization clauses to truthfully, accurately, and completely inform the personal information subjects of the purposes, uses, scope, types, and rules and practices regarding retention periods for the collection of personal information.

During the Reporting Period, Bama Tea did not experience any information leakage or other emergencies that would trigger the information security contingency plan.

In addition, to enhance employee awareness of information security, the Company issued the Notice on Regulating Conduct and Strictly Adhering to Information Confidentiality Obligations (《關於規範言行、嚴守信息保密義務的通知》) during the Reporting Period. The Company's Information Center arranged two information security awareness training sessions during the Reporting Period, which combined general knowledge dissemination with practical cases and provided information security recommendations based on various business operation scenarios. These efforts aimed to comprehensively improve the Company's network and information security level and build a secure environment for information exchange.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 02 FOSTERING A GREEN ECOSYSTEM FOR HARMONIOUS COEXISTENCE WITH NATURE

As a leading enterprise in China's tea industry, Bama Tea is committed to establishing an environmentally-friendly, green production system by integrating environmental protection into all aspects of its organizational management and promoting continuous improvement, striving to achieve harmonious coexistence between the enterprise and the environment in a way that jointly creates a Bama business form characterized by "fostering a green ecosystem for harmonious coexistence with nature".

Response to SDGs:



### 2.1 Environmental Protection Policy

In light of the industry practices and the stage of business development, the Company has formulated its environmental protection policy and established an environmental management system with reference to requirements of relevant laws, regulations and rules concerning environmental protection and resource conservation. It also provides necessary human, material, technical and financial support for its environmental protection efforts. We have obtained ISO14001 Environmental Management System Certification. Endeavors to earnestly implement energy conservation and emission reduction responsibilities, actively develop and utilize energy-saving products, promote a circular economy, reduce pollutant emissions and improve the comprehensive utilization rate of resources, enable us to create a sustainable business model and environment.

The construction and operation of the Company's factories comply with the environmental reviews and supervision of the local competent ecological and environmental authorities, and have passed the environmental impact assessment for construction projects. We have formulated environmental management regulations for our factories, including the Environmental Policy, Objectives, Targets and Management Programs (《環境方針、目標、指標和管理方案》), the Procedures for Environmental Aspect Identification and Evaluation (《環境因素識別及評價程序》), the Procedures for Environmental Practices and Operational Control (《環境行為及運行控制程序》), and the Procedures for Control of Environmental Non-conformity, Corrective and Preventive Actions (《環境不符合、糾正和預防措施控制程序》). We have established, implemented and continuously improved various contingency plans to ensure that the operation of our factories complies with environmental regulations.

In addition, we provide employees with training on environmental protection to continuously strengthen their environmental awareness; regularly inspect the implementation of our environmental policies, correct any behavior that does not conform to the Company's environmental protection policies, and take corresponding remedial measures.

During the Reporting Period, Bama Tea did not have any environment-related violations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2.2 Addressing Climate Change

### *Governance*

Bama Tea adopts a three-tier management structure of “Decision-Making Level – Organizational Management Level – Execution Level” as its governance framework for climate change. The Strategy Committee coordinates the compilation of updates to ESG-related policies and systems on an annual basis, promotes the identification and analysis of climate change risks, and guides the Company’s specific practices for addressing climate change, to ensure the smooth implementation and effective execution of climate change governance efforts. For details on the ESG governance structure, please refer to the section headed “ESG Governance System”.

We ensure that the ESG governance structure possesses the necessary experience and capabilities. For details on the Board, please refer to the section headed “Corporate Governance Report”. We have engaged a professional ESG consultant to assist the Company in identifying climate-related risks and opportunities, formulating response strategies, and providing relevant trainings on domestic and international best practices for sustainable development, so as to support the ESG governance structure in acquiring the requisite expertise to competently fulfill its ESG and climate-related governance responsibilities. At the same time, the Group links annual ESG and climate-related performance to the evaluation and rating of the Directors and management in a way that incentivizes and promotes the fulfillment of duties and progress in terms of the ESG and climate.

### *Strategy*

In accordance with standards such as the ISSB’s International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and in light of its business operations, the Company identifies and evaluates climate-related risks and opportunities. We assess the objective circumstances of the Company’s operations and the climate-related risks that it may face in the future, including transitional risks and physical risks, based on the SSP1 (strict pathway) and SSP5 (high-emissions pathway) pathways adopted by the Intergovernmental Panel on Climate Change (IPCC). We further identify impacts of the risks using short-term (within 3 years), medium-term (3-5 years), and long-term (more than 5 years) timeframes. At the same time, we are undertaking efforts to identify climate-related opportunities and are progressively planning assessment of the impact of the corresponding opportunities on the Company and countermeasures.

In light of the relief arrangements of the Stock Exchange (including reasonable information relief, capability relief, and financial impact relief), this Report temporarily refrains from disclosing detailed financial impacts and primarily provides qualitative descriptions. Furthermore, although we have not yet implemented a climate-related transition plan, we commit to continuously enhancing our relevant capabilities and progressively refining them in future reports.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risk Description	Time Horizon	Financial Impact	Risk Level	Response Strategy
Physical Risk	<p>Acute risk: extreme climate</p> <p>Extreme drought conditions reduce the survival rate of tea trees supplied by suppliers; extreme precipitation conditions reduce the yield of qualified tea</p>	Short-term	May lead to increased operating costs and decreased revenue	Level 1	Proactively anticipate and reasonably manage extreme drought and precipitation events, implement risk avoidance, formulate contingency plans and preventive measures; guide the industry chain to strengthen flood and drought management in tea plantation areas, coordinate supplier layout, and diversify the distribution of tea sources
	<p>Chronic risk: climate warming</p> <p>Increased energy consumption in factories and offices, and increased risks for outdoor workers under extreme heat conditions</p>	Long-term	May lead to impairment of fixed assets, a decrease in operating revenue, and an increase in operating costs	Level 2	Strengthen corporate energy consumption management, implement energy conservation and carbon reduction actions in factories and offices, and promote the utilization of renewable energy; actively adjust operations based on weather warnings and improve preventive measures against high-temperature risks for outdoor operations

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Risk Type	Risk Description	Time Horizon	Financial Impact	Risk Level	Response Strategy
Transition Risk	<p>Policy and regulatory risk: climate policy</p> <p>The successive introduction of dual-carbon policies and regulations has accelerated the green transformation of enterprises</p>	Medium to long-term	May lead to increased compliance costs	Level 3	Lead the industry chain in carbon neutrality planning to achieve a year-on-year reduction in carbon emissions across the industry chain
	<p>Technology risk: changes in energy technology</p> <p>Promoting energy conservation and emission reduction measures, increasing the application of new energy sources and new technologies</p>	Medium-term	May lead to increased operating costs	Level 3	Promote energy conservation and emission reduction measures and adopt new technologies and new energy sources
	<p>Market risk: environmental requirements</p> <p>Consumers are paying more attention to the environmental performance of packaging</p>	Medium to long-term	May lead to increased R&D investment and increased operating costs	Level 2	Promote product packaging to meet requirements for reusability, recyclability, and recoverability; develop environmentally friendly packaging materials and advance the lightweight packaging
	<p>Reputational risk: corporate image</p> <p>The public is paying more attention to companies' fulfillment of their social responsibilities</p>	Long-term	May lead to less financing channels	Level 3	Pay attention to disclosure requirements related to sustainable development and climate change; and optimise external communication channels for corporate social responsibility while ensuring compliance

Table: Climate Risk Identification Results

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Opportunity Type	Implementation Strategy	Financial Impact
Energy Technology	Gradually complete the green and low-carbon transformation of the energy structure in accordance with national dual-carbon and energy efficiency improvement goals, increasing the proportion of renewable and clean energy used	Reduce energy consumption costs
Resource Efficiency	Adopt more efficient operational methods to enhance resource utilization efficiency, reduce emissions, and practice sustainable development to achieve a circular economy	Reduce product production and operational costs
Products and Services	Continuously roll out green and low-carbon innovative products to enrich the Company's diversified product portfolio, while enhancing the competitiveness of products and services within the industry in a market environment of addressing climate change	Increase operating income
Adaptation	As domestic and international policies on addressing climate change improve, it is essential to plan ahead for green and low-carbon development, enhance the Company's adaptability to new market policies and legal requirements, and reduce medium – and long-term development risks	Reduce compliance costs

Table: Climate Opportunity Identification Results

### ***Risk Management***

Climate change risks, consistent with other risks, have been integrated into the Company's risk management system. As the highest responsible organization, the Board is responsible for the identification, prevention, and control of ESG risks. Please refer to the section headed "Risk Management" for details.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Metrics and Targets***

The Company is committed to continuously enhancing the transparency and effectiveness of its climate change initiatives through quantitative metrics. This Report discloses key environmental indicators related to climate change, including energy consumption and intensity, as well as greenhouse gas (GHG) emissions and intensity. For details, please refer to the section headed “ESG Key Performance Table”. Furthermore, the Company has established environmental targets for electricity use, water consumption and GHG emissions, and conducts annual performance reviews.

Indicator	Target	Status of Achievement by 2025
Electricity Use	Based on the electricity use intensity of 6.65 kWh/RMB'000 in 2024, the intensity will be reduced by 5% by 2030.	Ongoing
Water Consumption	Based on the water consumption intensity of 0.05 m <sup>3</sup> /RMB'000, the intensity will be reduced by 5% by 2030.	Ongoing
GHG Emissions	Based on the GHG emissions (Scope 1 and 2) intensity of 3.19 kgCO <sub>2</sub> e/RMB'000, the intensity will be reduced by 5% by 2030.	Ongoing

Table: Environmental Targets

## **2.3 Emissions Management**

### ***GHG Emissions Management***

Bama Tea follows scientifically-based carbon reduction methods, implementing energy-saving and emission-reduction measures in a targeted and efficient manner. We have successfully established a “Green Factory” in 2023, and will continuously promote the development of “zero-carbon products” and “zero-carbon stores”, so as to support Bama in embarking on a new journey towards zero carbon through collaborative carbon reduction across multiple product lines and the entire industrial chain.

We have formulated documents including the Green Factory Management System (《綠色工廠管理制度》), the Commitment Letter from Top Management (《最高管理者承諾書》) and the Medium and Long-Term Development Plan for the Green Factory (《綠色工廠中長期發展規劃》) to promote cleaner production and the construction of green facilities, and implement the development philosophy of “carbon peak and carbon neutrality” throughout the entire factory construction and operation.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have identified major sources of our GHG emissions as Scope 1 and Scope 2 in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard. Scope 1 emissions refer to direct GHG emissions, primarily from fuel consumed by the Company's vehicles. Scope 2 emissions refer to indirect GHG emissions, primarily from electricity consumed by the Company's factories and offline self-operated stores. Furthermore, our factory production does not utilize carbonates and does not generate industrial wastewater. As domestic sewage is discharged into the municipal sewage pipeline, industrial wastewater is not anaerobic treated. There is no methane recovery or destruction, nor is there any carbon dioxide recovery.

We consciously adopt clean energy sources and manage vehicle use by providing shuttle buses for employees and encouraging them to use lower-carbon transportation options, such as high-speed rail, for business trips. We post reminders in our factories and stores to promptly turn off equipment and facilities like machinery, air conditioning, and lighting systems. We have also installed charging stations for new energy vehicles in our factory parking lots. Additionally, we prioritize the procurement of energy-efficient office equipment to reduce electricity consumption across in all aspects, thereby lowering GHG emissions.

Indicator	Unit	2025
Scope 1 GHG Emissions	kgCO <sub>2</sub> e	90,915
Scope 2 GHG Emissions	kgCO <sub>2</sub> e	8,310,435
Total GHG emissions	kgCO <sub>2</sub> e	8,401,351
GHG Emission Intensity	kgCO <sub>2</sub> e/revenue in RMB million	3.83

- *Distributed photovoltaic construction*

We have constructed rooftop distributed photovoltaic systems within our factories, using a low-voltage grid connection. The generated electricity is used for self-consumption with surplus electricity fed into the grid. The project has a total installed capacity of 477.6 KW and generates 550,000 kWh/year. Compared with thermal power generation with the same output, it saves 200 tons of standard coal per year and reduces carbon emissions by 306 tons per year.

- *Carbon sink accounting for tea plantations*

Guided by the principle of promoting agricultural development through science and technology, we are creating a visualized, digital and intelligent "smart tea plantations." We are innovatively exploring the accounting of carbon sink assets of tea plantations and collaborating with research institutions to jointly study emission reduction and carbon sequestration measures in the agricultural and rural sectors. We also continuously promote "emission reduction and sink enhancement" to improve the carbon sequestration capacity of tea plants and soil in tea plantations, thereby reducing GHG emissions.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Pollutant Emission Management***

Bama Tea strictly adheres to environmental impact assessment standards and requirements. The construction and operation of its factories comply with the environmental approval and supervision of the local competent ecological and environmental authorities. The control of various pollutants in all processes, products and activities has reached international standards.

Wastewater Discharge	As a refined tea manufacturing facility, our production process neither consumes water nor generates industrial wastewater. We have established the Wastewater Discharge Control (《廢水排放的控制》). Domestic sewage is discharged into the municipal sewage pipeline network for centralized treatment by the local wastewater treatment plant. The pollutant concentrations in the domestic sewage discharge outlet of the factory fully comply with the GB8978 Integrated Wastewater Discharge Standard (《污水綜合排放標準》).
Exhaust Gas Emission	The production process does not generate major air pollutants such as sulfur dioxide or nitrogen oxides. Waste gases from the process primarily consist of dust from tea leave screening operations and fumes from the staff canteen. Dust is collected and treated by pulse-jet cartridge dust collectors and external suction ventilation dust removal equipment to meet the Integrated Emission Standard of Air Pollutants (《大氣污染物綜合排放標準》). Kitchen fumes are treated by oil fume collection and purification facilities and discharged centrally after meeting relevant standards.
Waste Discharge	Solid waste generated by the factory includes production waste and domestic waste. We have formulated the Solid Waste Control (《固體廢棄物控制》) and Waste Recycling Management System (《廢品回收管理制度》), implementing a disposal process of “collection – classification – storage – unified disposal/sale”. Solid waste from tea processing, such as tea stalks, tea dust, and yellow leaves, is sold for reuse. Domestic waste is collected and transported by the local sanitation department for treatment, while waste cardboard boxes are recycled.
Hazardous Waste	The hazardous waste generated by the factory is waste oil. A dedicated, temporary hazardous waste storage area has been established, featuring protection against wind, rain and sun. Waste oil is stored in specialized containers, and the floor has undergone anti-seepage treatment. The storage of hazardous waste meets the requirements of the GB18597 Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》). We have formulated the Management Regulations for the Control of Toxic and Harmful Substances (《有毒有害物品的控制管理規定》), the Regulations on the Management of Hazardous Waste Pollution (《危險廢物污染規範管理制度》), and the Safety Operation Procedures for Hazardous Waste Disposal (《危險廢物處置安全操作規程》), implementing the process of “classified disposal – centralized collection and storage of waste – waste labeling – waste disposal declaration – completion of waste transfer manifest – transfer to a qualified third party for treatment – statistical reporting to the environmental protection department”.
Noise	Noise pollution in the factory mainly originates from the operation of tea processing equipment and backup generators. We have established the Noise Control (《噪聲控制》). According to the acceptance and monitoring report from the competent authorities, the noise at the factory boundary complies with the requirements of relevant national, industrial and local standards.

Table: Pollutant Discharge Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, Bama Tea did not have any violations related to pollutant discharges.

Indicator	Unit	2025
Exhaust Gas Emissions		
Nitrogen Oxides (NO <sub>x</sub> )	kg	19
Sulfur Oxides (SO <sub>x</sub> )	kg	0.3
Respirable suspended particles	kg	1.4
Hazardous waste discharge		
Hazardous waste discharge	kg	<0.01
Non-hazardous waste discharge		
Tea dust	kg	95,250
Cardboard boxes	kg	538,305

## 2.4 Resource Utilization and Management

### *Energy Management*

Bama Tea has promulgated the Energy Management System Manual (《能源管理體系手冊》) and Energy Management Regulations (《能源管理規定》). It adheres to the principles of “prioritizing conservation, focusing on efficiency, full participation, and continuous improvement”, and integrates energy conservation and consumption reduction into all aspects of its daily management and production operations. We have established an energy management leadership mechanism to promote the construction of energy-saving projects in our factories, accelerate the technological transformation for energy conservation and improve energy utilization efficiency.

We implement the Management and Control of Economical Electricity Use (《節約用電管理控制》), which stipulates the conservation management and control of office electricity consumption in various departments, as well as production and lighting power use in each production workshop, with an aim to reduce energy loss through routine management. We strictly manage key areas of energy consumption, including: strictly enforcing indoor temperature control standards for air conditioning systems of a minimum temperature of 26°C in summer and a maximum temperature of 20°C in winter; requiring lighting systems to be turned off when not in use, prioritizing the use of natural light during the day, and promoting the use of sound-activated, light-activated, or timed switches in public areas; requiring office equipment to be turned off promptly to reduce standby energy consumption. In terms of production, we make efforts to optimise production processes through systematic management, rationally arrange production plans, improve equipment load rate, strengthen energy consumption monitoring of production lines, and reduce unplanned downtime and non-functional energy consumption. These enable comprehensive monitoring of the entire production process, ensuring that each link works in accordance with standard operating procedures, thus reducing resource waste and improving efficiency. Furthermore, we encourage and support the implementation of energy-saving projects such as technological transformation for energy conservation and the utilization of waste heat and pressure, strictly enforcing the energy conservation assessment and review system for them.

### *Water Resource Management*

Bama Tea places great emphasis on water conservation with commitment to the philosophy of scientific water utilization and active efforts to promote and encourage water conservation in a way that builds a resource-conserving enterprise. Our water is sourced from the municipal water supply network, and therefore we have not encountered any problems in the process of water sourcing. We have published a Water Conservation Assessment Report (《節水評估報告》) and implemented the Management Regulations for Economical Water Use (《節約用水管理規定》). We remind employees to save water by posting “Save Water” signs. We reduce water waste by installing water-saving devices such as sensor faucets in washrooms and water-saving flush valve tanks in restrooms. At the same time, we place water conservation signs in the pantries and restrooms of all office locations to cultivate water-saving awareness among all employees. We continuously strengthen the inspection and maintenance of water facilities to prevent leaks, and we instill the responsibility of “managing water well, using water efficiently, and conserving water” in all employees to help them develop water-saving habits.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Packaging Material Management*

Bama Tea pursues the goals of reusability, recyclability and recoverability in the design and use of product packaging, continuously develops environmentally friendly packaging materials, advocates for lightweight packaging, and carry out packaging recycling and reuse.

We have prepared the Product Eco-design Report (《產品生態設計報告》) and the Product Recyclability Assessment Report (《產品可回收率評價報告》). In the design and development of our tea products and packaging, we exert controls over all stages from raw material procurement and design to production and processing. We comprehensively consider factors such as cost, environmental impact, product performance, laws and regulations, and customer needs. We balance considerations including the substitution of toxic and hazardous materials, recyclability, and material optimization to reduce the pollution of products to the environment and improve their recyclability. This approach aims to minimise adverse environmental impacts throughout the product lifecycle and develop a more ecological, economical and sustainable product system.

We use safe, non-toxic inks in our packaging material printing process. We utilize edible soybean oil-based inks to replace the petroleum-based solvents in traditional inks, which reduces the VOC content of the ink. They are safe and reliable, offering advantages such as being environmentally friendly, renewable, easily de-inkable from waste paper, abrasion resistant, drying resistant, laser exposure resistant, and having low overall printing costs.

The Company promotes the recycling of outer packaging boxes between suppliers and finished goods warehouses, and has launched a “packaging box recycling program (包裝盒回收計劃)” targeting our franchisees and consumer groups to encourage the recycling and reuse of packaging boxes.

Indicator	Unit	2025
Electricity	kWh	15,391,049
Electricity use intensity	kWh/revenue in RMB million	7.01
Diesel	Liter	478
Diesel use intensity	Liter/revenue in RMB million	<0.01
Gasoline	Liter	20,547
Gasoline use intensity	Liter/revenue in RMB million	0.01
Natural gas	m <sup>3</sup>	16,088
Natural gas use intensity	m <sup>3</sup> /revenue in RMB million	0.01
Water	Tone	103,313
Water use intensity	Tone/revenue in RMB million	0.05
Packaging material	kg	8,349,528
Packaging material use intensity	kg/revenue in RMB million	3.80

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 2.5 Biodiversity Protection

### *Ecological Tea Plantations*

Bama Tea promotes the sustainable development philosophy of “Tea and Nature, Tea and Society, Tea and People”, and advocates for “reducing fertilizer and pesticide use (減肥減藥)” measures. It has established a green and low-carbon tea plantation management system, and focuses on cultivating and nurturing high-quality sourcing bases at their origin, driving green development in the production areas. In recent years, building upon our original ecological tea plantation model, we have adopted a three-dimensional planting pattern to promote a benign ecological cycle involving various animals, plants and microorganisms.

- *Developing modern smart agricultural tea plantations*

We continue to develop our smart tea plantations. By applying IoT agricultural technology based on precise digital control, we are transforming agricultural production management methods that rely on intuitive experience. We conduct agricultural production and management through precise, scientific digital control methods to prevent excessive practices in pesticide application, fertilization and irrigation, thereby avoiding damage to the ecological environment.

- *Natural enemies-friendly, green prevention and control technologies for tea tree diseases and pests*

In our tea plantations, we implement technologies for preventing and controlling tea tree diseases and pests, including the use of insecticidal lights, sticky traps, and sex pheromone traps. Supplemented by comprehensive physical prevention and control techniques, we utilize biological and botanical pesticides to prevent and treat tea tree diseases and pests, achieving the complete replacement of chemical pesticides.

- *Implementing Good Agricultural Practices (GAP) tea plantation management model*

We further advance the implementation of GAP requirements and certification rules for tea, with reference to relevant regulatory technical standards. We implement the GAP management model in our tea plantations and have formulated the GAP Management Manual (《GAP 管理手冊》), GAP Technical Specifications for Tea Planting (《茶葉種植 GAP 技術規範》), and GAP Technical Specifications for Primary Tea Processing (《茶葉初制 GAP 技術規範》). We implement ecological improvement techniques such as “retaining grass and planting trees + inter-row mulching + intercropping green manure (留草種樹+行間覆蓋+套種綠肥)” in tea plantations, along with precise application techniques of “organic fertilizer + specialized formula fertilizer (有機肥+專用配方肥)” for tea plants. Through the management of tea seedlings, soil, tea plantation moisture, fertilizer use, pest control, plant protection product application, fresh leaf picking and transportation, tea plant pruning, and management of equipment and facilities in tea plantations, we promote practices such as converting slopes to terraces, constructing front ridges and back ditches, planting grass on terrace walls, and rational retention and cultivation. These efforts aim to change the habit of frequent and excessive use of chemical pesticides, improve the ecological environment and promote ecological balance of tea plantations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We implement retention height treatment for moderately dwarfed tea gardens to promote the absorption and utilization of deep nutrients in tea roots and improve tea quality; leave grass on the tea garden ladder wall to ensure that the tea garden ladder wall is covered by green plants all the year round, optimise the surrounding ecology of the tea garden, provide more habitats for natural enemies of tea tree diseases and pests, and improve the ecological diversity of the tea garden; implement weed backfill to further increase the organic matter of tea garden soil, improve the tea garden soil, and reduce the soil erosion; implement the technology of replacing nitrogen fertilizer with organic fertilizer, and develop ecological and circular agriculture; implement the plant protection principle of “prevention first and integrated control”, scientifically applying chemical control techniques in accordance with the occurrence patterns and economic thresholds of diseases and pests in tea garden; and select pesticides that are suitable for tea gardens in accordance with national standards, strictly manage the procurement, acceptance, storage, use and recycling of pesticides, and eliminate and/or reduce the impact of pesticides on the ecological environment of tea gardens and product safety.

### ***Protection of Tea Source Areas***

Xinjihao (信記號), an aged Pu'er tea brand under Bama Tea, takes the lead in the conservation mining of ancient tea trees. Adhering to the “two harvestings, three reservations (二採三留)” standard, it contributes to the long-term protection and sustainable development of ancient tree resources. Xinjihao conducts protective harvesting of ancient tea tree resources, securing the harvesting rights to Laobanzhang Chawang Tree (老班章茶王樹) for five consecutive years from 2021 to 2025. Additionally, it has procured tea from Bingdao Wuzhai Chawang Tree (冰島五寨茶王樹) in Bingdao (冰島) Village for six consecutive years from 2020 to 2025.

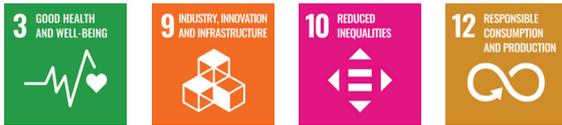
Guided by the principle of fully protecting ancient tea tree resources, we are committed to sustainable development and the protection of these precious ancient tea tree resources while pursuing rural revitalization and industrial development. We do not seek short-term economic growth at the expense of the ecological environment. In 2023, Xinjihao under Bama set up the “Ancient Tea Tree Protection and Development Fund” (古茶樹保護發展基金), calling on more industry peers to join in the protection, development and utilization of ancient tea tree resources.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 03 EXCELLENT QUALITY WITH CONNECTING THE WORLD

Bama Tea adheres to the values of “Integrity, Altruism and Genuine Craftsmanship”, and is dedicated to continuing a century-old tea-making heritage by sourcing fine teas from renowned origins across China. In addition to our efforts of carrying forward our distinctive tea-making techniques, we focus on technological innovation and have introduced modernized production and management system to continuously consolidate and enhance product quality. Meanwhile, the Company is committed to creating shared value, places great importance on supply chain management and firmly pursue mutual growth with our extensive network of supply chain partners, striving to achieve “Excellent Quality with Connecting the World (品質卓越、鏈動全球)”.

Response to SDGs:



### 3.1 Product Safety and Quality Management

Bama Tea aspires to become China’s premier tea brand, leading Chinese tea into the global market. We adhere to the principle of preserving heritage while pursuing innovation. In 2024, we were recognized by the Guangdong Provincial Department of Commerce as one of the first batch of Guangdong Time-honored Brands.

In adherence to the principles of quality and safety, the Company has established and improved a quality control system that covers the entire process from raw materials, product selection and development, process control, and shipment to after-sales service. We ensure that all raw materials originate from controllable cooperative or self-owned tea plantations, follow three product selection standards, namely “they are to be produced by well-known experts, from the best production regions and with traditional techniques ” to guarantee quality of raw materials. Our full lifecycle product quality management system implements four standards for good tea, namely safety, taste, authenticity and stability (安全、對口、正宗、穩定), to ensure products comply with national and industry standards, align with consumer constitutions and taste preferences, originate from authentic producing areas with consistent quality, while establishing a comprehensive after-sales service system.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## **Quality Management System**

- *System establishment*

Bama Tea strictly abides by the Food Safety Law of the People's Republic of China (《中華人民共和國食品安全法》), the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Safety and Quality of Agricultural Products Law of the People's Republic of China (《中華人民共和國農產品質量安全法》), the Food Recall Management Measures (《食品召回管理辦法》) and other relevant laws and regulations and standards. It has established a system of norms and regulations covering quality safety, food safety and equipment safety, and strictly adheres to these systems to guide production, ensuring excellent stability of product quality and safety and hygiene. Furthermore, the Company formulates specific quality technical indicators for different product categories, all of which meet or exceed national standards. We also sign a Food Safety Responsibility and Task Commitment Letter (《食品安全責任與任務承諾書》) with government departments annually.

The Company has obtained ISO 9001 Quality Management System, FSSC 22000 Food Safety System, and HACCP Hazard Analysis and Critical Control Point System certification. It has also received several authoritative certifications, including a National Organic Product Certification Demonstration Establishment Zone (國家有機產品認證示範創建區), China Good Agricultural Practices (GAP) Certification (中國良好農業規範認證(GAP)), the Oolong Tea GAP Production Demonstration Base (烏龍茶 GAP 生產示範基地), and a Green Food Certificate (綠色食品證書), Organic Product Certification (有機產品認證), the China Time-honored Brand, National Key Leading Enterprise in Agricultural Industrialization (Fuba Production Base) (農業產業化國家重點龍頭企業(福八生產基地)) and Rainforest Alliance Sustainable Agriculture Standard Supply Chain Requirements Certification (雨林聯盟可持續農業標準供應鏈要求認證), setting an industry benchmark for system certification in the tea sector.

- *Structural support*

Bama Tea has established a Quality Development Leading Group, with the Chairman serving as the primary person responsible for quality and safety. The General Manager acts as the group leader, and the director of the Quality Control Center serves as the deputy leader and Chief Quality Officer. Responsibility agreements for quality and safe production are signed at each level to ensure accountability for primary quality and safety obligations. The Quality Control Department has three parallel teams: tea inspection, auxiliary material inspection and system management to break down quality management objectives and ensure comprehensive and efficient operation of quality management functions. With the Quality Control Department at its core, the Company radiates product quality and safety requirements to other departments and frontline factory operations, forming a top-down quality management structure.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Target setting*

In addition, we have established overall production and operational targets at both the Company level and departmental level as detailed below:

## Overall Company Production and Operation Targets

- 1 The product quality pass rate of 100%, the national sampling pass rate of 100%, and the provincial sampling pass rate of 100%
- 2 To achieve safe production throughout the year, with a record of “zero violations”, “zero accidents”, “zero injuries”, and “zero pollution” throughout the year
- 3 Meet all annual workplace safety and occupational health targets
- 4 The enterprise’s safety production standardization compliance level reaches the Level 3 enterprise standard
- 5 Building an inherently safe enterprise to ensure the safety and health of employees.

## Departmental Overall Production and Operation Targets

- |   |   |    |  |
|---|---|----|--|
| 1 | Zero production safety accidents  | 8  | The implementation rate of the work safety responsibility system is 100%   |
| 2 | Zero environmental pollution incidents  | 9  | Closed-loop rate for safety hazard investigation and rectification is 100% |
| 3 | Zero work-related minor injuries or above personal injury accidents throughout the year | 10 | Guarantee rate for safety investment is 100%                               |
| 4 | Zero diagnosed occupational disease cases   | 11 | Occupational hazard prevention rate reaches 100%                           |
| 5 | Zero violations of the “three rules” (violations of rules, regulations, and procedures) | 12 | The statutory inspection and testing pass rate is 100%                     |
| 6 | Certification rate for “three types of personnel” is 100%                               | 13 | Availability rate of emergency rescue equipment is 100%                    |
| 7 | Pass rate for employee safety education and training is 100%                            | 14 | permitting rate for hazardous operations is 100%                           |

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Industry development*

As the supporting unit of the Quanzhou Comprehensive Test Station of the National Tea Industry Technology System, a member of the National Tea Standardization Technical Committee (全國茶葉標準化技術委員會) (SAC/TC339), a domestic member of the International Standard for Oolong Tea, and a member of the Fujian Tea Standardization Technical Committee (福建省茶產業標準化技術委員會), Bama Tea leverages its leading R&D capabilities to actively provide technical support by participation in the formulation and revision of national and industry standards, promoting the healthy development of China's tea industry through the establishment of norms and the export of standards.

As of the end of the Reporting Period, Bama Tea has participated in the formulation of a total of 10 national standards, 5 local standards, 1 industry standard, 6 group standards and 6 enterprise standards. The Company is the lead drafter of the national standard "Technical Specification for Oolong Tea Processing (《烏龍茶加工技術規範》)".

Based on Bama Tea's outstanding standardization efforts, it has been selected as a Fujian Provincial Private Enterprise Standardization Demonstration Base and has been included in the Ministry of Agriculture and Rural Affairs' 2023 list of units for the creation of national modern agricultural whole industry chain standardization demonstration bases. In these roles, Bama Tea is diligently advancing the establishment of demonstration bases by constructing a whole industry chain standard system, establishing production systems that adhere to standards, strengthening full-process quality control, creating premium green agricultural products, and leveraging its demonstrative role to drive the high-quality development of the tea industry.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Full Lifecycle Quality Management*

Bama Tea has been prioritizing the tea quality and safety for years. It has established a comprehensive full lifecycle product quality management system that ensures quality and safety across all stages from raw material procurement, production, packaging and storage, inspection and acceptance to after-sales service.

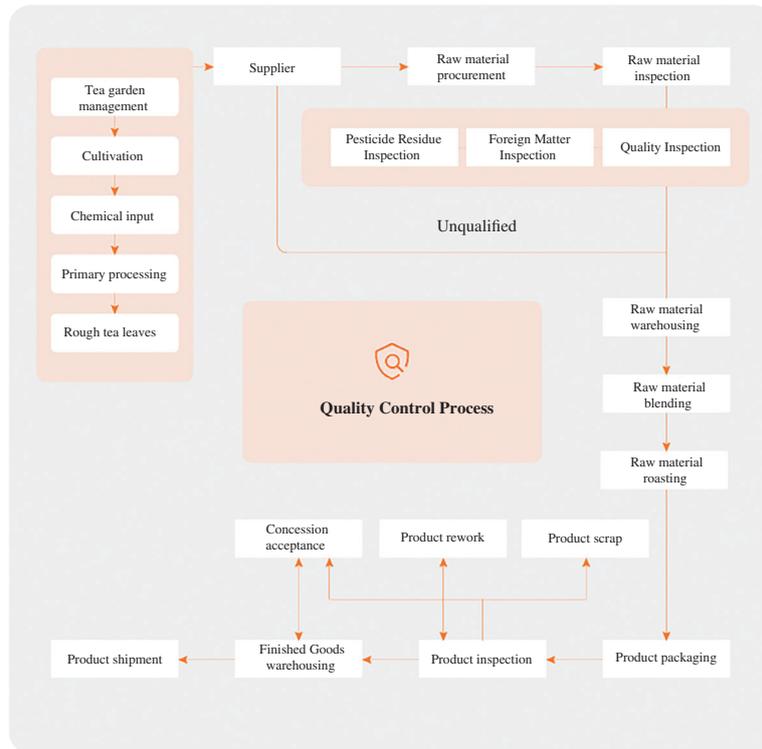


Figure: Quality Control Process

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Raw material procurement stage*

When conducting external procurement, the Company adheres to three fundamental product selection standards, namely, “they are to be produced by well-known experts, with traditional techniques and from the best production regions (名家之作、傳統技藝、黃金產區)”.

The Company’s core technical team conducts regular and ad-hoc visits to survey and research the origins of various renowned teas. They go deep into the production areas to understand the conditions of the tea gardens, document the tea cultivation and growth status, and visit supplier production bases to inspect tea processing techniques. Furthermore, the Company has established a Review Committee to ensure the control of raw material quality in accordance with the National Standards for Sensory Evaluation (《國家感官評審標準》) and the Company’s evaluation system.

- *Production stage*

The Company conducts regular on-site inspections of its factories. A production management network has been established, consisting of the Factory General Manager, managers, workshop supervisors, team leaders and team members, operating under a manager responsibility system to control and verify the product realization process. Meanwhile, a three-inspection system of “self-inspection, mutual inspection and patrol inspection” has been implemented to oversee and ensure the progress and completion of workshop production operations and daily production activities.

For the Company’s self-owned tea plantations, we implement smart plantation management. Big data enable us to achieve real-time monitoring of meteorological conditions, soil moisture levels, and pest and disease situations within the plantation areas. This allows for timely responses and intelligent decision-making regarding potential risks, thereby ensuring the stability of product quality.

- *Inspection and acceptance stage*

The Company conducts rigorous quality testing on its finished products. The Company has a Postdoctoral Research Station and an Industry Research Institute, and has established a comprehensive Tea Quality and Safety Testing Laboratory. Equipped with over 50 sets of advanced instruments, including gas chromatographs, gas chromatography-mass spectrometers, gas chromatography-tandem mass spectrometers, and liquid chromatography-tandem mass spectrometers (LC-MS/MS), the laboratory can perform a wide range of tests for routine physicochemical properties, pesticide residues and sensory evaluation, covering 110 pesticide residue items required by the national standard GB2763 for pesticide residue limits in tea, so as to ensure that products undergo both internal and external quality testing in strict accordance with the quality requirements of third-party testing.

For finished products that fail inspection, we conduct traceability to identify the root causes and require the corresponding suppliers or production departments to implement rework and corrective actions. If a product fails inspection again, the involved supplier will be disqualified from the supplier performance assessment to ensure that shipped products maintain stable and consistent quality.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Packaging and storage stage*

After years of research, development, and experience accumulation, the Company's refined tea leaves packaging production lines have been continuously upgraded. Currently, the seventh-generation intelligent refining production line is in operation. The self-produced tea products undergo a completely automated process from raw material input, refinement process and packaging, cartoning to palletizing, without ever contacting the floor. This ensures product safety, hygiene and consistent quality.

In terms of tea storage, the Company's tea warehouses are constructed and managed in strict accordance with relevant tea storage standards. Teas are stored separately based on the specific characteristics of each category to maintain a scientifically controlled storage environment. The Company has now established a smart, automated and visualized standard warehouse for Pu'er tea, designed to meet future manufacturing upgrades and the personalised needs of consumers.

- *After-sales service stage*

The Company has developed the "One Code for One Product (一品一碼)" Bama RFID chip, providing a "digital identity card" corresponding to the unique product number for each tea product. Anti-counterfeiting technology that combines dual codes enables full-process tracking and tracing of products. It has established a comprehensive tea quality traceability system characterised by "recorded production, queryable information, traceable flow, accountable responsibility and recallable products".

The Company has formulated the Product Withdrawal/Recall Control Procedure (《產品撤回/召回控制程序》) to enable effective traceability and recall of products in the event of contamination or the presence of factors endangering consumer health, such as food safety or hygiene issues. This ensures the safe and smooth withdrawal and effective handling of affected products. Should an adverse event requiring a product withdrawal/recall occur, we will establish a product recall team, which will collaborate with various departments, including product divisions, the Quality Control Department, the Administration Department, and the Production Department, to implement the withdrawal/recall procedure. We classify incidents based on the severity and urgency of the food safety risk, facilitating information feedback, cause analysis, product handling and recall implementation. During this Reporting Period, Bama Tea did not experience any product recall incidents.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Conducting Quality Education and Training*

Bama Tea has established a mature quality education and training system, encompassing training needs analysis, training plan formulation, quality training implementation, and training effectiveness evaluation. We ensure the investment in training resources and employee participation continue to increase, fostering a positive momentum of “learning for all, quality for all (全員學習、全員品質)”.

During the Reporting Period, the Company convened the 24th Global Supply Chain Empowerment Conference and Tea Industry New Quality Productivity Forum. We invited various partners including government agencies, tea industry experts, universities, agricultural research institutes and suppliers. At the forum, keynote speeches were arranged on Tea Product Innovation and Market Potential (茶葉產品創新與市場潛力), Tea Quality and Safety (茶葉質量安全) and Digital and Intelligent Supply Chain Management (數智化供應鏈管理). We signed cooperation agreements with Jimei University and Jiangsu University on the project of Data-driven Online Inspection and Intelligent Quality Control of Tea Leaves (數據化茶葉在綫檢測與智能化品控), signed an industry-university-research cooperation agreement with Wuyi Tea College, and signed a cooperation agreement with Fujian Academy of Agricultural Sciences on a major provincial science and technology project. We also invited our partners to visit our factory in Wuyishan, fostering collaborative win-win and joint progress within the industry chain.

- *Vocational qualification certification*

Building upon its quality education and training foundation, the Company actively promotes the accreditation of vocational skill levels, constructs a skill talent evaluation model characterized by a comprehensive system, standardized organization, efficient implementation and industry recognition, and broadens accreditation pathways to enable franchisees and supplier partners to participate in vocational skill learning and certification. It promotes employee to hold certificates for their job positions, helps them cultivate passion and confidence in their profession, and vigorously supports the development of a skilled talent workforce, laying a solid talent foundation for building a leading tea company in the world.

As of the end of the Reporting Period, Bama Tea has accumulated a team of highly skilled professionals including 1 representative inheritor of the national intangible cultural heritage of Oolong tea production techniques (Tieguanyin production techniques); 1 recipient of the title of leading talents for science and technology entrepreneurship in the national Manpower Planners (國家萬人計劃科技創業領軍人才); 2 recognized Chinese Tea Masters; 3 scientific and technical personnel with senior professional titles; 11 with intermediate professional titles; 85 professionals with vocational qualifications at Level 2 or above; 74 municipal high-level talents; and 3 provincial high-level talents.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3.2 R&D and Innovation of Products

Bama Tea places great emphasis on product innovation. Guided by market demand, it focuses on technological developments in the industry, and formulates R&D strategies and annual R&D work plans based on its business direction. Through independent research and development, as well as industry-university-research collaborations with multiple domestic universities and scientific research institutions, it continuously improves and upgrades production and processing techniques and engages in new product development.

The Company has established an R&D Center responsible for new product development and related technological research. The core technical team possesses extensive industry experience and knowledge, demonstrating strong R&D capabilities that lay a solid talent foundation for new product development and continuous technological innovation. At the same time, the Company prioritizes the development of its R&D team by continuously allocating and selecting professional talent, organizing capability and skill-building initiatives for the R&D team, and reinforcing its talent pool.

Among the six major tea categories, oolong tea involves a relatively intricate and complex production process. As a Tieguanyin tea specialist, the Company continuously optimises and innovates tea-making techniques such as blending and roasting, building upon the inheritance and promotion of the nationally recognized intangible cultural heritage of Anxi Tieguanyin production techniques. Furthermore, it integrates food safety and quality control technologies, as well as fully automatic tea packaging technology for serving sizes, into our production processes to further ensure the quality and food safety of Tieguanyin products.

At the same time, as a nationally renowned full-tea-category chain enterprise, the Company actively develops new products beyond Tieguanyin. It collaborates with tea companies that have advantages in origin resources. By analyzing consumer preferences and market demands, it identifies new product development needs, refines formula designs, and selects the most suitable raw materials through rigorous screening and testing. Throughout the production process, we adhere to the Company's quality control standards and integrate packaging design concepts, ultimately delivering tea products with superior quality and exquisite packaging to consumers.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ***Intellectual Property Management***

Bama Tea strictly complies with the requirements of laws and regulations including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》). We have formulated the Knowledge Management Procedure (《知識管理程序》) and the Intellectual Property and Confidentiality Management System (《知識產權及保密管理制度》), which clearly define the reward system for patent applications, technological achievements, and other outcomes, encompassing both spiritual and material rewards. Through project-based and innovation incentive mechanisms, we mobilize employee enthusiasm and encourage the transformation of technological achievements. The Company has established a strict archive management system and confidentiality system, and signs confidentiality agreements and labor contracts that include intellectual property clauses with key technical personnel to clearly define intellectual property confidentiality matters.

As of the end of the Reporting Period, Bama Tea had accumulated a total of 1,020 registered trademarks in the PRC, 68 patents registered in the PRC, 133 works copyrights registered in the PRC, 3 software copyrights and 15 domain names. Additionally, we had 64 trademarks registered in countries other than the PRC, covering countries and regions including the Philippines, Malaysia, the United States and the European Union.

During the Reporting Period, Bama Tea did not experience any violations related to intellectual property rights.

## **3.3 Tea Industry Chain Management**

The supply chain forms the foundation and support for the realization of the Company's strategy. Bama Tea consistently adheres to the principle of "Altruism" and the philosophy of creating shared value. We are firmly committed to pursuing mutual growth with our extensive network of industry chain partners, jointly seizing opportunities in digitalized, intelligent and green development. We fully integrate the concept of sustainable development into the entire chain of industrial management, establishing long-term, stable, and mutually beneficial cooperative relationships with suppliers and partners.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Supply Chain Management System*

The Company strictly complies with relevant laws and regulations such as the Company Law of the People's Republic of China (《中華人民共和國公司法》), and has formulated internal systems including the Management Measures for Commercial Product Suppliers (《經營性產品供應商管理辦法》) and the Management Measures for Commercial Product Procurement (《經營性產品採購管理辦法》) to provide a system basis for supplier management and procurement processes. Meanwhile, the Company has established a supplier management system coordinated by the Supply Chain Center, with various departments participating in management according to their respective responsibilities, jointly enhancing the efficiency of supply chain management.

Responsible Department	Major Responsibilities
Supply Chain Center	<ul style="list-style-type: none"> <li>• Developing and optimizing supplier management related systems</li> <li>• Completing the onboarding management of potential suppliers</li> <li>• File management for qualified suppliers</li> <li>• Organizing on-site inspections and evaluations of new suppliers</li> <li>• Managing the "Qualified Supplier Database," including creating files for new suppliers and updating evaluation results in a timely manner</li> </ul>
Product Center	<ul style="list-style-type: none"> <li>• Development and selection invitation of potential suppliers</li> <li>• Participation in the formulation of supplier selection standards and evaluation systems</li> <li>• Necessary on-site inspections during cooperation with suppliers</li> <li>• Supplier evaluation and assessment, and related work</li> </ul>
Quality Control Center	<ul style="list-style-type: none"> <li>• Preliminary review of qualifications and on-site inspections for new suppliers</li> <li>• Necessary on-site inspections during cooperation with suppliers</li> <li>• Supplier evaluation and assessment, and related work</li> </ul>
Business Divisions	<ul style="list-style-type: none"> <li>• Continuously understanding and following the market environment, developing and initially selecting potential suppliers that fit their respective business area</li> <li>• Providing relevant criteria for the selection of qualified suppliers of the Company</li> <li>• Collaborating with other departments to complete the management of suppliers within their respective business areas</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Bama Tea is committed to maintaining stable partnerships, with the shared goal of achieving good quality, good service and reasonable prices for both supply and demand sides. We have established a comprehensive full lifecycle supplier management system to implement strict controls across five key aspects including development access, classification management, daily transactions, performance assessment and withdrawal mechanism, procuring suppliers to continuously align with higher requirements and standards in the process of providing products and services, thus ensuring that the Company's products and services are consistently maintained at a high-quality level.

Development Access	<ul style="list-style-type: none"> <li>Following the principles of openness, impartiality, fairness, and merit-based selection, we have established a supplier selection system, formulated the Guidance Document for Supplier Introduction Process (《供應商引入流程指導書》), established a Qualified Supplier Database (合格供應商庫), conducted preliminary qualification reviews and on-site inspections to comprehensively examine the qualifications of potential suppliers, and incorporated ESG factors into the assessment scope.</li> </ul>
Classification Management	<ul style="list-style-type: none"> <li>Suppliers are classified based on the Company's actual business conditions, and targeted management strategies are adopted according to the qualifications of qualified suppliers in each category.</li> </ul>
Daily Procurement	<ul style="list-style-type: none"> <li>Procurement is carried out in accordance with the Company's review system. A review committee and review panel are formed to conduct evaluations based on the National Standards for Sensory Evaluation (《國家感官評審標準》) to determine shortlisted suppliers. The procured materials are then sampled and inspected before being put into storage.</li> </ul>
Performance Assessment and Tiered Management	<ul style="list-style-type: none"> <li>An annual assessment management mechanism is implemented. We have formulated the Measures for Supplier Assessment and Tiered Management (《供應商考核及分級管理辦法》), conducted the previous year's supplier assessment work according to the Company's Supplier Assessment Plan (《供應商考核方案》), classified assessment results as excellent, good, qualified, or unqualified, and took corresponding management measures.</li> </ul>
Withdrawal Mechanism	<ul style="list-style-type: none"> <li>A "one-vote veto" condition is applied to suppliers involved in violations of laws or regulations, commercial bribery, or breaches of integrity. The "Qualified Supplier Database" is managed through dynamic assessment, continuously optimizing the quality of suppliers within the database.</li> </ul>

Table: Five Key Aspects of a Full Lifecycle Supplier Management System

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, to promote two-way communication between the Company and its suppliers, we have established a comprehensive and efficient supplier communication platform, and also set up a supplier feedback email and contact phone number, providing channels for suppliers to submit opinions and complaints, to foster mutual understanding and enhance collaboration efficiency, thus achieving win-win cooperation.

- *Supplier empowerment training*

As a leading enterprise in the tea industry, Bama Tea actively undertakes social responsibility and works hand in hand with its partners to build an empowerment training system that combines “point – line-surface”.

<p>Point: Technology Supporting Agriculture</p>	<ul style="list-style-type: none"> <li>• The Company organizes technical resources including tea quality and safety experts, customer experts, and key corporate technical personnel, and established a “Science and Technology Commissioner (科技特派員)” system. Through methods such as distributing science popularization brochures, providing on-site guidance in production areas, and holding seminars, the Company trains tea professional cooperatives, raw material suppliers, and major tea farmers in the latest scientific management techniques for tea quality and safety;</li> <li>• The Company strengthens close cooperation with scientific research institutions, agricultural technology service departments and local governments. During pest and disease outbreak periods in various tea seasons, we jointly provide in-depth guidance to tea farmers in tea plantations on scientific pest and disease control, achieving good results. To date, the qualified tea produced through these efforts has driven the engagement of over 10,000 tea farmer households in the main oolong tea production areas, covering tens of thousands of acres of contracted tea plantations.</li> </ul>
<p>Line: Business Training</p>	<ul style="list-style-type: none"> <li>• The Company’s Quality Control Center, in collaboration with various departments such as the Product Department, the R&amp;D Department, and the Administration Department, provides daily production guidance and technical training to frontline personnel of our extensive supplier network, continuously enhancing awareness of quality control and safe production;</li> <li>• At the Company’s regularly held supplier conferences, senior executives and tea industry experts share insights on various topics, including strategic development of the Company and tea enterprise management. Empowerment programs are conducted for mid-to-senior level management of suppliers, broadening their perspectives, further enhancing strategic thinking, enabling them to learn and master advanced management tools and methods, and improving their sustainable operational capabilities, thus achieving win-win results across the entire industry chain and jointly building an ecosystem.</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Surface: Strategic Empowerment

- At the beginning of each year, the Company convenes a Quality and Safety Conference for our extensive network of suppliers, franchisees and partners, and invites numerous tea experts and scholars to deliver keynote speeches on topics such as tea production, cultivation, key quality control points and cutting-edge processing technologies;
- We communicate the Company's strategic cooperation goals and development plans to our partners, deeply consolidating our broad partnership to jointly build a high-quality, efficient and green tea industry chain.

Table: Supplier Empowerment and Training System

- *Supplier risk management*

The Company has established an all-round supplier risk management system to comprehensively assess and verify potential production safety risks, quality and safety risks, operational management risks, and environmental risks posed by suppliers. We have formulated the Supply Chain ESG Risk Supervision and Management System and Methods (《供應鏈 ESG 風險監督管理制度與方法》). By following four principles of “integration into existing processes, data-driven decision-making, risk classification and control, and continuous collaborative improvement”, we conduct ESG risk classification for major suppliers and, during joint inspections, place special emphasis on auditing suppliers' ESG performance and conducting performance evaluations.

We have identified the risk of interruption of supply chain continuity and established procedures and institutional documents such as the Instructions for Preventing Product Supply Interruption (《防止產品供應中斷作業指導書》) to maintain the stability of the supply chain and improve risk response capabilities. We have identified the risk of unqualified products purchased in the supply chain, formulated the Operation Instructions for Handling Unqualified Products (《不合格品處理作業指導書》), classified product types, conducted inspections according to inspection standards and sampling plans to determine whether the products were qualified. Subsequently, we implement corresponding measures for different categories of unqualified products, such as rework or return.

In addition, we have formulated the Supplier Code of Conduct (《供應商行為守則》), which clearly defines the red lines for supplier conduct in terms of wages and benefits, working hours, health and safety, freedom of association, the right to organize and collective bargaining, prohibition of forced labor, slavery and human trafficking, prohibition of child labor, prohibition of discrimination, prohibition of harassment or abuse, anti-corruption and anti-bribery, environment, transparency and traceability, and prohibition of subcontracting, so as to effectively control and reduce supply chain risks.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Green procurement*

The Company has formulated the Specifications and Management Plan for the Application of Environmentally Friendly Products (《環保產品應用規範與管理方案》) to ensure that environmentally friendly products are prioritized in all links of the supply chain, guiding and regulating suppliers to jointly improve their environmental practice standards. We introduce environmental requirements at the front end of the supply chain, prioritizing the use of environmentally friendly materials and processes to prevent pollution and resource waste from the source. We pay attention to the comprehensive environmental impact of tea products and packaging throughout the entire lifecycle, from raw material acquisition, production, transportation, use to disposal. We establish quantifiable, assessable environmental goals and indicators for purchased products, and conduct regular reviews and improvements. We establish transparent and trustworthy partnerships with suppliers, sharing green technologies and management experience to promote the overall green transformation of the industrial chain.

The Company uses ISO 14001 Environmental Management System Certification, ISO 45001 Occupational Health and Safety Management System Certification, and SA8000 Social Responsibility Management System Certification as preliminary evaluation criteria for supplier qualifications. During the factory audit evaluation process, the Company will focus on assessing whether suppliers have compliant, effective methods for treating exhaust gas, waste liquid and waste residue.

When sourcing tea gift boxes, we prioritize suppliers with Forest Stewardship Council (FSC) certification and require them to regularly provide paper and ink testing reports to verify the environmental, health and safety aspects of our products, thus protecting consumer health and fulfilling our extended responsibility for product quality.

In addition, the Company has initiated a strategic partner management program to further deepen cooperation with suppliers in sustainable procurement. It engages in multi-dimensional exploration and planning in areas such as product R&D, quality control and logistics operations, in an aim to cultivate suppliers' sustainable development capabilities, jointly achieving a green, symbiotic and sustainable development of the supply chain.

## **Franchisee Cooperation System**

Bama Tea continuously expands and improves its sales channels, forming an omni-channel sales network with a combination of self-operated and franchised stores as well as online and offline stores. It implements a platform-based development strategy across regions and product categories, and continues to expand and deepen such strategy to fully penetrate mainstream e-commerce platforms. As of the end of the Reporting Period, the Company had 3,538 franchised stores. The Company's franchise model mainly includes three aspects: franchisee recruitment system, franchisee service system and franchisee management system, achieving win-win development with franchisees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- *Franchise Recruitment System*

The Company has established standardized online and offline franchisee recruitment channels, and conducts rigorous screening of all potential franchisees based on various factors such as operational strength, management capabilities, market capabilities, knowledge and experience level and alignment with the Company's culture. Qualified franchisees are required to sign a Commercial Franchise Agreement (《商業特許經營合同》), guaranteeing that they conduct their business activities in strict compliance with relevant laws and regulations and the Company's management system.

- *Franchisee Service System*

After confirming franchise eligibility, the Company provides franchisees with services and support measures, including pre-opening guidance, daily operational assistance, marketing and promotion support and franchisee training.

- *Franchisee Management System*

During the actual operation of franchisees, the Company has formulated corresponding standards and agreements for various aspects such as sales scope, pricing mechanism, settlement method, ordering and delivery, return and exchange management, inventory management, rebate policy and supervision management.

Site Selection Support	A professional team assists with site selection, assesses business district risks, and provides regional protection for franchised stores
Store Design	Unify store image to leverage brand effect
Operational Support	Provide various operational support for franchise stores both before and after opening
Training Support	Tailor-made career advancement learning paths for franchise partners and their teams
New Product R&D and Customization	Develop new products based on market research and seasonal characteristics, and customize products tailored to specific regions to meet the sales needs of our stores
Smart Store Terminals	Provide digital solutions for store operations services such as retail, store management, and membership services
Human Resources Support	The Company's human resources team provides franchisees with team building solutions and holds campus recruitment events regularly to assist stores in supplying talent in bulk

Table: Franchisee Management System

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 3.4 Customer Service and Satisfaction

As a representative brand of Chinese tea, Bama Tea has achieved high influence, appeal and recognition in both domestic and international markets. In 2025, according to the 11th China Customer Satisfaction Index (C-CSI) in 2025 released by the authoritative brand rating agency Chnbrand, Bama Tea ranked first in the tea chain store satisfaction ranking for the third consecutive year, achieving a score of 87.4, thanks to its strong channel advantages and excellent product and service quality.

During the Reporting Period, we also obtained recognition as “No. 1 sales revenue among Premium Chinese Tea (高端中國茶全國銷量第一)”, “No. 1 brand of Chinese tea chained specialty stores (中國茶葉連鎖專賣店第一品牌)”, “No. 1 brand of Chinese tea chain stores (中國茶葉連鎖店第一品牌)”, “highest sales revenue of Bama Tieguanyin for 14 consecutive years (八馬鐵觀音連續 14 年全國銷量第一)”, “highest sales revenue of Bama Yan Cha for 5 consecutive years (八馬岩茶連續 5 年全國銷量第一)”, and “highest sales revenue of Bama Black Tea for 4 consecutive years (八馬紅茶連續 4 年全國銷量第一)”, which fully demonstrates consumers’ recognition and trust in our products and services.

### *Identifying Diverse Needs*

Bama Tea consistently adheres to a consumer-centric approach, and implements four standards for good tea, with commitment to providing every consumer with convenient, meticulous service and healthy, high-quality products. We focus on a full range of tea categories including Oolong tea, dark tea, black tea, green tea, white tea and yellow tea, to build a strong brand matrix with the renowned Chinese trademark “Bama” as the major brand and “Wanshanhong” and the time-honored Chinese brand “Xinjihao” as sub-brands. We have also expanded into non-tea-leaf products such as tea ware and tea snacks, and continuously develop supporting services to form a complete tea beverage product and service chain.

The Company focuses on the diverse needs of different consumer groups and provides precise products and services. The Company has established a consumer system based on customer purchasing methods and accurately identifies the needs of different consumer groups from dimensions such as quality, category, price and packaging.

Franchisee customers	Refer to the customer group that sells products under the Bama brand, which has the largest purchasing volume and are the Company’s key customers
Customised customers	Refer to a customer group that receives personalised services on behalf of a company, and are considered a key customer group for the Company
Terminal-based customers	Refer to the customer group that purchases directly from the Company’s terminal demonstration stores and e-commerce platforms, and are categorized into important customers and general customers based on their purchase volume

Table: Consumer System

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At the same time, the Company also attaches great importance to the development of potential markets. For customers in overseas markets such as Southeast Asia, Europe and North America, the Company assigns sales personnel to conduct on-site visits with local customers and participate in local industry activities to investigate the needs, expectations and preferences of potential customers and to comprehensively expand the market through joint marketing.

### ***Providing Differentiated Services***

For different customer categories, the Company adopts differentiated service support. For end customers, the Company conducts repurchase rate surveys and collects feedback through online customer service, with some offer door-home tea talk services; for customised customers, the Company provides overall customised solutions; for franchisee customers, the Company holds meetings, organizes events such as tasting sessions and origin study tours, and has a dedicated operations and recruitment team for liaison.

The Company conducts customer satisfaction surveys for key customers annually to understand their needs and expectations in a timely manner. Terminal stores record customer satisfaction information in the form of “store logs” and conduct regular visits and dynamic tracking based on customer needs cycle and characteristics to promptly identify and plan for their needs.

### ***Opening Up Communication Channels***

The Company engages with consumers and listens to market feedback through various communication channels, including regular visits by senior leaders, receptions at retail stores, tea industry tasting events, appreciation events, e-commerce platforms and social media platforms. We have established a 24/7 400 customer service hotline to provide consumers with convenient and fast information inquiry services at any time, maximising the protection of consumers’ rights to know, choose and receive compensation.

The Company strictly abides by the Consumer Rights Protection Law of the People’s Republic of China (《中華人民共和國消費者權益保護法》) and has formulated after-sales management systems such as the Product After-sales Handling Standard Management Measures (《產品售後處理標準管理辦法》), the Procedures and Operating Instructions for Abnormal Logistics Sign-off and Claims at Franchise Stores (《加盟門店物流異常簽收及理賠流程及操作說明》), the Procedures and Operating Instructions for Return Request Processing at Franchise Stores (《加盟門店退貨申請處理流程及操作說明》), and Explanation of Return and Exchange Policies for the E-commerce Business Unit (《電商事業部退换货政策說明》). These systems comprehensively improve Bama Tea’s operational standards in franchise store management, after-sales service of products and customer complaints, providing consumers with a higher quality and more reliable shopping experience.

Consumer complaints are handled by the Marketing Department, which determines whether the complaint pertains to product quality or service issues. Such complaints are uniformly collected, summarized and managed. After classification, they are promptly forwarded to relevant departments. Depending on the circumstances, the marketing, the Production, the R&D, the Logistics & Warehousing, and Quality Control Departments conduct a comprehensive analysis to identify the root cause and determine solutions. The responsible department then issues a Product Quality Issue Rectification Report (《產品品質問題整改報告》) to ensure that customer complaints are addressed effectively.

During the Reporting Period, the Company received 18 customer complaints, all of which were effectively resolved and settled. No violations related to consumer rights occurred during the Reporting Period.

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## 04 GOOD DEEDS FOR A WORLD OF TEA AROMA

Bama Tea originates from a century-old tea-making family, with the mission of “enabling everyone to enjoy the health and happiness brought by tea”. We are committed to creating an equal, inclusive, and healthy working environment for our employees, and building an industry-leading empowerment training system. Bama Tea fully leverages its advantages in the tea industry to actively support the rural revitalization in China. Meanwhile, Bama Tea consistently upholds the philosophy of “Good Deeds for a World of Tea Aroma (善行天下, 茶香世界)”, spreading Chinese tea culture to the world and fulfilling its corporate social responsibilities.

### 4.1 Protection of Employees’ Rights and Interests

The Company strictly complies with the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), and other relevant laws and regulations concerning labor and social security systems. It has established various internal policies, including Recruitment Management Measures (《招聘管理辦法》), Labor Contract Management System (《勞動合同管理制度》), Compensation Management System (《薪酬管理制度》), Performance Management System (《績效管理制度》), Employee Reward and Punishment System (《員工獎懲制度》), and Occupational Health and Safety Management Manual (《職業健康安全管理手冊》). Adhering to principles such as legality, compliance, equality, and non-discrimination in employment, the Company fully respects and safeguards the legitimate rights and interests of every employee in areas such as recruitment, compensation and benefits, and labor rights. The Company comprehensively implements a labor contract system to foster a positive working environment and harmonious labor relations.

#### *Compliant Employment*

The Company adheres to the employment principle of “emphasizing both integrity and competence, focusing on actual performance, promoting the superior and eliminating the inferior, and offering diverse career paths”. It consistently maintains an equal, open, and inclusive attitude to attract talent from diverse backgrounds. We are committed to respecting and protecting the legitimate rights and interests of every employee. During the whole recruitment process, we strictly prohibit discrimination or differential treatment in hiring, promotion, and compensation based on factors such as gender, age, region, ethnicity, race, religious beliefs, or disability.

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As of the end of the Reporting Period, the total number of employees at Bama Tea was 1,950, with female employees accounting for a high proportion of 76.36%. There were 17 female senior executives at the director level and above, representing 32.07% of the total.

Indicator	2025
Total number of employees	1,950
Number of employees (by gender)	
Female	1,489
Male	461
Number of employees (by age)	
Below 30	638
31 to 40	924
41 to 50	296
Over 50	92
Number of employees by employment type	
Full-time	1,950
Number of employees by region	
Chinese Mainland	1,949
Hong Kong, China	1
Employee turnover rate	29.7%
Turnover rate by gender	
Female	32.2%
Male	21.7%
Turnover rate by age	
Below 30	60.7%
31 to 40	17.2%
41 to 50	8.5%
Over 50	9.8%
Turnover rate by region	
Chinese Mainland	29.8%
Hong Kong, China	0.0%

*Note: The turnover rate is calculated by dividing the number of employees who left during the year by the number of employees at the end of the year.*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company strictly complies with laws and regulations concerning children's rights, such as the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》). During recruitment processes across all departments and subsidiaries, rigorous age verification and control measures are implemented to prevent the employment of children.

The Company strictly adheres to laws and regulations, including the Labor Law of the People's Republic of China, related to labor rights, working hours, and other relevant matters. Any form of forced or compulsory labor, such as intimidation, threats, or deception, is prohibited. The Company respects employees' lawful rights to freely choose employment and resign, and refrains from violating employees' autonomy through measures such as withholding documents or deducting wages.

During the Reporting Period, no incident of non-compliance related to the employment of children or forced labor occurred in Bama Tea.

### ***Compensation and Benefits***

The Company has formulated and strictly adheres to the Measures for Compensation Management (《薪酬管理辦法》), focusing on three aspects: compensation structure, mechanism for rewarding and inspiring, and welfare projects, to establish a scientific, fair, and efficient compensation and performance system.

The Company consistently adheres to the employee-centric culture, providing competitive compensation packages, including fixed salaries and commission-based bonuses; comprehensive performance incentives, such as talent reward funds, incentive annual bonuses, and special contribution awards; simultaneously, the Company offers a wide range of welfare projects. Beyond the legally mandated "five social insurances plus a mandatory housing fund" and standard statutory holidays, the Company provides benefits such as an enterprise annuity plan, housing purchase agreements for top talents, seniority awards, government talent support programs, festive appreciations, service anniversary gifts, and sports clubs to ensure that employees have no concerns in their daily lives, fully realize their potential at work, and effectively enhance their sense of belonging and well-being.

## **4.2 Occupational Safety of Employees**

### ***Occupational Safety Management System***

The Company strictly complies with the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). It has established systems such as Control Procedures for Occupational Health and Safety Management Plan (《職業健康安全方案控制程序》), and Control Procedures for Occupational Health and Safety Monitoring & Measurement (《職業健康安全監測與測量控制程序》). In addition, the Company has issued the Occupational Health and Safety Management Manual (《職業健康安全手冊》) with the coverage of different aspects including work safety management, safety performance assessment, risk control, hazard identification, accident emergency response, occupational disease prevention, and training & education. By establishing and improving the occupational health and safety management system, the Company ensures that all processes are governed by rules and regulations, continuously improving occupational health and safety conditions in the working environment for employees. The Company has obtained ISO 45001 Occupational Health and Safety Management System certification.

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## ***Safety Risk Identification and Control***

The Company integrates risk management into all aspects of production and operations, covering all positions, processes, and areas. It implements the “six steps for risk prevention and control”, managing safety risks through the six steps of risk identification, risk assessment, risk classification, risk control, risk monitoring, and risk reporting, thereby ensuring a healthy and safe working and production environment for employees.

For the identification and tractability of safety risks, the Company adopts a combined approach of daily inspections, holiday checks, and special inspections in major production areas. It conducts screening and identification of workshops, processes, and personnel that may pose risks, aiming to implement effective prevention and control at source.

For identified safety hazards, the Company conducts comprehensive risk assessments. Based on the potential impact in various aspects such as legal and regulatory compliance, personal and property harm, and environmental pollution, as well as the frequency of occurrence, the Company calculates a risk factor based on the severity and frequency of the risk, implementing classified and tiered management.

For safety risks resulting in minor losses and with a medium recurrence rate, immediate measures shall be taken to make corrections within a fixed period of time. For safety risks causing severe losses and with a high recurrence rate, specialized management plans shall be formulated, clearly defining responsible personnel, control points, and resource allocation to ensure rapid and thorough elimination of the risks, thereby fostering a healthy and safe working and production environment for all employees.

We will double our efforts in the information-based safe production and accelerate the digital application of the safety risk management system, so that all employees can directly identify and report risks on the system and view the real-time progress of correction, thereby improving the operational efficiency of the risk management system.

## ***Safety Awareness Training***

The Company continuously enhances employee safety awareness training, providing safety production education and training for newly hired employees to ensure they can quickly master correct and compliant production skills and risk control measures. For existing and long-serving employees, regular and ongoing safety training programs are implemented to continuously update their professional skills. Furthermore, the Company has established emergency drill plans, including comprehensive fire emergency drills, heatstroke response drills, electric shock incident drills, elevator accident drills, and product recall drills, to further enhance employees' emergency response capability. During the Reporting Period, the Company organized fire safety knowledge and first aid training for employees, as well as fire safety drills, to effectively enhance their safety awareness.

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In terms of physical health, the Company conducts regular occupational health check-ups annually and establishes occupational health records for employees. For mental well-being, the Company actively promotes a “family” culture, providing ample workplace care and necessary professional psychological counseling to help employees maintain a healthy and positive mindset. During the Reporting Period, employees were invited to participate in health talks on preventing cervical spondylosis, with three benefits provided by the Company: shoulder, neck, and lumbar physical therapy, head relaxation SPA, and health mini-classes, embodying the concept of a “healthy workplace”.

Indicator	2023	2024	2025
Number of work-related fatalities	0	0	0
Number of work-related injuries	12	9	10
Number of workdays lost due to work-related injuries	400	759	342

## 4.3 Talent Development

### *Cultivation System Empowerment*

Bama Tea has consistently adhered to the development and operation philosophy of sustainability and high quality, and closely integrated business development with talent cultivation. By focusing on employee growth, it provides employees with comprehensive and professional career development channels and growth training, fully stimulating their strengths and potential, and gradually building a talent cultivation system that features “full-scenario coverage, full-chain reach and full-stage empowerment (全場景覆蓋、全鏈條觸達、全階段賦能)”, with the vision of becoming the “Whampoa Military Academy for talent cultivation in the tea industry (茶行業人才培養的黃埔軍校)”.

The Company targets three major training groups and utilizes three empowerment tools to effectively implement a multi-dimensional training framework across stages such as analysis of training needs, training plan formulation, quality training execution, and training effectiveness evaluation. With the combination of online and offline training methods, the Company uses professional skill level certification as a closed loop for talent cultivation, successfully training and certifying multiple industry professionals, including tea art specialists and tea tasters. The Company’s investment in training resources and the average training hours per employee continue to increase annually, fostering a positive trend of “learning for all, quality for all (全員學習、全員品質)”.

For tea art specialists	The Company has launched the “Tea Art Specialist Growth Map”, which closely focuses on the three core competencies of tea art specialists, to enhance professional skills and service standards in a targeted manner.
For store managers	The Company has developed the “Store Manager Growth Map”, which closely aligns with Bama’s store manager competency model for targeted enhancement of management skills and professional qualities.
For management team	The Company has developed customized learning programs based on Bama’s Leadership Flywheel Model (領導力飛輪模型), focusing on improving management skills to lead the teams to success.

Table: Three Major Groups for Cultivation

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- *Fortune Creation Academy (創富學院): Business Empowerment Platform*

Bama Tea has established the “Fortune Creation Academy” online learning platform to build a comprehensive, full-scenario, and end-to-end training ecosystem. The platform offers multi-dimensional courses covering product knowledge, store operations, professional development, and sales skills. Content spans various training categories, including professional skills, product knowledge, operational training, and seasonal marketing, creating diverse learning scenarios. It pioneers a standardized channel training system within the tea industry and continuously optimises the “ecosystem” for talent development. As of the end of the Reporting Period, the Fortune Creation Academy had launched over 2,600 premium courses, covering more than 15,000 participants. During the Reporting Period, cumulative learning sessions exceeded 2.6 million, total learning hours surpassed 240,000, and over 130 live training sessions were conducted.

- *Bama Xiao Yi (八馬小藝): Intelligent Teaching Assistant with Comprehensive Q&A*

The Company developed the “Bama Xiao Yi” intelligent training system to provide intelligent and digital services for employee skill development.

Knowledge reasoning	Providing users with relevant knowledge and information with the use of its robust knowledge base and reasoning capabilities
Knowledge Q&A	Providing corresponding answers and related information based on questions input by users
Assistance in creative writing	Generating various texts based on user prompts, such as poetry, commercial copy, etc.
Conversational interaction	Engaging in natural language dialogue with users to assist in problem-solving, provide information, and offer advice

Table: Main Functions of Bama Xiao Yi

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- *Training base: talent cultivation base for the tea industry*

With its three major hubs in Shenzhen, Guangdong; Anxi, Fujian; and Wuyishan, Fujian, the Company drives 24 training bases nationwide to implement classic training programs covering franchisees, operations managers, store managers, tea artists, and functional staff. This breaks down the barriers between theory and practice, enabling employees across all national stores to hone their skills through real-world application and transform knowledge into productivity. In 2025, the Company organized over 80 offline training sessions, cumulatively providing training for more than 3,300 individuals.

Indicator	2025
Percentage of employees trained	100%
Percentage of employees trained by gender	
Female	100%
Male	100%
Percentage of employees trained by job level	
Chief Executive Officer	100%
Senior Management	100%
Intermediate Management	100%
General Employee	100%
Average number of training hours per employee	32.5
Average number of training hours per employee by gender	
Female	37.2
Male	17.5
Average number of training hours per employee by job level	
Chief Executive Officer	3.3
Senior Management	2.1
Intermediate Management	6.1
General Employee	36.3

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## ***Career Advancement Pathways***

Relying on a comprehensive training system, the Company has established scientific, smooth, and equitable career development and advancement pathways. It has implemented talent pipeline cultivation methods and talent pipeline design to ensure the high-quality development of the organization. The Company has established three career development pathways for employees: management track, technical track, and professional track. Employees select their career development model based on their individual circumstances. The Company adheres to the principle of “merit-based appointment” to ensure the healthy and stable development of a high-quality talent pipeline.

Through a robust talent cultivation system, the Company conducts systematic evaluations for personnel selection, placement, and promotion, formulates training plans, and implements capability enhancement programs. Simultaneously, an internal recruitment and job rotation mechanism is implemented, prioritizing the selection of outstanding employees from within the Company for supplementation, thereby providing a substantial reserve of talent for the Company’s sound development.

## ***Occupational Skill Certification***

Since 2019, Bama Tea Training School has successively obtained the “Qualification for Vocational Skill Level Assessment” and “Qualification for Independent High-End Talent Assessment” in Fujian Province, as well as the “Qualification for Vocational Skill Level Assessment” in Shenzhen. The occupations that can be assessed independently include Tea Art Master (five levels), Tea Taster (five levels), and Tea Processing Worker (five levels). In the future, Bama Tea will continue to promote innovation and development in the field of talent cultivation within the tea industry through Bama Training School, aiming to “become the Whampoa Military Academy for talent cultivation in China’s tea industry”.

In 2025, the Company obtained the designation as a Provincial High-Skilled Talent Training Base under the Fujian Industrial Chain Leading Enterprises Training Base program. Leveraging this platform, the Company was permitted to provide vocational skill level assessment services to employees of upstream, midstream, and downstream enterprises across the industry chain. During the year, the Company issued 840 vocational skill level certificates after training. To date, the cumulative number of the certificates issued has exceeded 2,100, further strengthening the Company’s foundation for cultivating skilled talent and injecting strong momentum into increasing the proportion of highly skilled professionals in the tea industry and advancing high-quality industry development.

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## 4.4 Employee Care

Bama Tea governs the enterprise through a “family” culture, advocating the integration of love, trust, and commitment into work, and is dedicated to improving the well-being of every member of Bama family. It has been honored with numerous awards such as “Model of the Worker’s Home in Fujian Province” and “Enterprise with Harmonious Labor Relations in Fujian Province”. The Company has created a comfortable and healthy working environment for its employees by constructing free dormitories, cultural centers, basketball courts, and other facilities. It regularly cares for retired and financially challenged employees, working hand-in-hand with them to overcome difficulties.

Bama Tea has consistently regarded the enhancement of women’s health and quality of life as a significant mission in its corporate development. In the workplace, the Company strives to create a safe, warm, and comfortable working environment for female employees, strictly implements laws and regulations such as the Law of the People’s Republic of China on the Protection of Rights and Interests of Women, upholds the principle of equal pay for equal work, and provides female employees with maternity leave, childcare leave, and breastfeeding leave in accordance with the law. In the marketplace, the Company is committed to offering safe, healthy, and high-quality tea products for women. At the same time, it promotes the enhancement of women’s health awareness and the improvement of their quality of life through initiatives such as health lectures and public welfare activities.

## 4.5 Giving Back to Society

Bama has always adhered to the corporate social responsibility philosophy of “originating from society and giving back to society”. It insists on the parallel and unified pursuit of economic and social responsibilities, actively participates in social welfare initiatives and rural revitalization efforts, and gives back to society through concrete actions.

### *Public Welfare*

The Company focuses its public welfare support on major areas including the development of the tea industry, education, poverty alleviation, and rural revitalization. It formulates a Public Welfare Support Plan (《公益支持計劃》) and allocates a dedicated budget annually to support related initiatives. Through targeted assistance to tea farmers, the Company also promotes the development of the tea industry.

Project	2025
Public welfare expenditure for emergency rescue and disaster relief (RMB)	70,000
Public welfare expenditure for cultural education (RMB)	295,500
Public welfare expenditure for community care (RMB)	272,500

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## ***Rural Revitalization***

In response to the call for advancing rural revitalization, Bama actively fulfills its corporate social responsibilities by giving back to the origins of tea production. The Company has established a collaborative ecosystem for China's tea industry and provides in-depth support to dozens of tea-producing regions, including those in Yunnan, Guangxi, Hunan, and Hubei. By building efficient linkages among tea-producing regions, tea farmers, and consumers, Bama contributes to the advancement of rural revitalization.

Bama has consistently rooted its operations in tea-producing regions and firmly practiced the philosophy of “supporting farmers through tea” across numerous tea-growing areas nationwide. By establishing a collaborative ecosystem for China's tea industry, the Company has created an open, value co-creation platform that enables broad participation from tea farmers and tea enterprises. Through this platform, Bama provides in-depth support to major tea-producing regions across the country, strengthening their endogenous development capacity and contributing “Bama's strength” to rural revitalization. At the same time, the Company plays a leading role in guiding tea-growing regions in brand building and channel development. Through concrete actions, Bama contributes to revitalizing China's tea industry and advancing a new chapter of rural revitalization for the tea sector.

- *Tea King Competition (茶王賽)*

Bama views the tea industry as a “multi-faceted” sector that integrates primary, secondary, and tertiary industries. Behind every cup of tea lies the livelihood of millions, carries the mission of rural revitalization, and contributes to national prosperity. On the path of implementing the coordinated development of the “Three Teas” and promoting the revitalization of the tea industry, Bama Tea has actively established a “Collaborative System in Tea Industry”. For consecutive years, it has hosted the Tea King Competitions in Wuyishan and Anxi, connecting supply and demand through high-level competitions to support the development of local tea industries.

Launched in 2020, the Wuyi Rock Tea “Dual World Heritage” Cup Tea King Competition is hailed as the “Oscars of the Wuyi Rock Tea industry”. As of 2025, Bama Tea has invested over RMB40 million in hosting Tea King Competitions, encouraging tea farmers and tea enterprises to produce the tea with high quality. It has become a phenomenal event that leads the improvement of tea-making skills among tea farmers and sets trends in the tea consumption market.

- *Rural Education*

Bama focuses on the development of rural education. In 2024, Bama Tea, together with its retail stores, officially joined the Meituan Rural Children's Playground Public Welfare Plan (美团鄉村兒童操場公益計劃). For every group purchase order of Bama Tea placed by consumers on the Meituan App, the Company donates a corresponding amount to support the construction of playgrounds. As of the end of the Reporting Period, this plan has covered all Bama retail stores nationwide, cumulatively supporting the completion of 106 rural children's playgrounds, including one independently donated and newly built playground. It has benefited thousands of children in core tea-producing regions such as Yunnan, Fujian, and Sichuan. Bama has also become the first whole-leaf tea brand to engage in deep collaboration with this plan. We support the transformation from bare playgrounds to “dream spaces”, creating a model for public welfare orders. Through the “Grow with Tea (以茶助跑)” initiative, consumers, Bama Tea, and Meituan collaborate to turn every tea order into a building block for rural education.

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## *Cultural Communication*

Bama brand originates from a century-old tea-making family, and its development is deeply rooted in intangible cultural heritage tea culture in the PRC. As a brand founded by a Representative Inheritor of Oolong Tea Production Skills in the National Intangible Cultural Heritage Project (國家級非物質文化遺產項目), Bama brand originates from a family with 300 years of history of processing tea leaves, and its development is deeply rooted in intangible cultural heritage tea culture in the PRC. Over the years, the Company has been dedicated to enriching ethnic culture, promoting a better life and actively sharing Chinese tea culture with the world, to tell the story of intangible cultural heritage and spread its brilliance.

The Company has deeply explored the value of inheriting the “Tea Master Culture (茶人文化)” of intangible cultural heritage and promoting the “Tea Master Spirit (茶人精神)” of Bama. Taking on the responsibility of preserving Chinese tea culture, the Company has organized multiple tea culture training activities. Through tea as a medium, participants learn tea etiquette and rituals, allowing the general public to experience the profound charm of traditional intangible cultural heritage under the influence of tea culture. Simultaneously, intangible cultural heritage is integrated into people’s daily lives, advocating and enhancing health concepts while strengthening cultural confidence among Chinese people.

The younger generation of Bama, ever mindful of the family motto, has worked to bring premium teas from their origin in the PRC to the world along the Maritime Silk Road and the Tea Road. In 2011, the Bama•Saizhenzhu Tieguanyin Global Tasting Event (八馬•賽珍珠鐵觀音全球品鑒會) commenced in Quanzhou. By 2018, it was elevated to the “Donghu Zhiguang” Global Tasting Event (“東湖之光”全球品鑒會), and was further upgraded to the “Intangible Heritage Bama-Share with the World” Premium Chinese Tea Global Tasting Event (“非遺八馬—世界共享”高端中國茶全球品鑒會) in 2023. Using a fine cup of tea as a bridge to connect with the world, Bama currently has made its presence in 32 countries and 86 cities, hosting over one hundred global tasting events and extending hospitality to guests from 192 countries.

In terms of major diplomatic occasions, as a prominent representative of the high-quality development of China’s tea industry, Bama Tea was selected as the official tea service provider for the 2025 Shanghai Cooperation Organization Tianjin Summit, presenting classic teas such as black tea, rock tea and Tieguanyin to honor distinguished guests from around the world.

At significant international events, during the Year, Bama Tea was invited to appear at the receptions hosted by the Chinese Embassies in Panama and Colombia celebrating the 76th anniversary of the founding of the People’s Republic of China. It was also invited to participate in prestigious events such as the FAO “From Seeds to Food” Global Exhibition (Italy and Germany) (“從種子到食物”全球展覽(意大利、德國站)). Bama connected Chinese and international guests through intangible cultural heritage tea art, attracting attendees from many countries to taste and offer their praise. Furthermore, representatives of Bama Tea joined the cultural tourism delegation from Quanzhou, Fujian Province, China, to promote “Maritime Silk Road Quanzhou, A City of Splendor in Song and Yuan Dynasties (“宋元中國海絲泉州”)” in Panama City. They held pop-up events in crowded areas such as the old town coastal promenade and the Panama City Cathedral, allowing local residents and tourists to experience and learn about traditional Quanzhou culture, including Chinese tea, hairpin flowers (簪花), Gaojia opera (高甲戲), and marionette puppetry (提線木偶).

In industry exchange activities, Bama Tea has been invited to participate in prestigious events such as the 8th China International Import Expo, the 4th China (Fuzhou) Tea Trade Fair, the 5th China International Consumer Products Expo, and the 2025 Quanzhou Fashion Industry (Global) Supply Chain Conference. Leveraging its corporate influence, Bama is driving the future of the Chinese tea industry.

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## APPENDIX: STOCK EXCHANGE'S ESG REPORTING GUIDE CONTENT INDEX

ESG Indicator		Corresponding Section
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non – hazardous waste.	2.3 Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	2.3 Emissions Management
KPI A1.2	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management
KPI A1.3	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management
KPI A1.4	Description of emission target(s) set and steps taken to achieve them.	2.3 Emissions Management
KPI A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.3 Emissions Management
Aspect A2: Use of Resources		
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials.	2.4 Resource Utilization and Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.4 Resource Utilization and Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.4 Resource Utilization and Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.4 Resource Utilization and Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	2.4 Resource Utilization and Management
KPI A2.5	Total packaging materials used for finished products (in tons) and, if applicable, with reference to per unit produced.	2.4 Resource Utilization and Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Corresponding Section
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.5 Biodiversity Protection
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.5 Biodiversity Protection
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1 Protection of Employees' Rights and Interests
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	4.1 Protection of Employees' Rights and Interests
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	4.1 Protection of Employees' Rights and Interests
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.2 Occupational Safety of Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.2 Occupational Safety of Employees
KPI B2.2	Lost days due to work injury.	4.2 Occupational Safety of Employees
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.2 Occupational Safety of Employees

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Corresponding Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.3 Talent Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	4.3 Talent Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	4.3 Talent Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Protection of Employees' Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Protection of Employees' Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Protection of Employees' Rights and Interests
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Tea Industry Chain Management
KPI B5.1	Number of suppliers by geographical region.	3.3 Tea Industry Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3 Tea Industry Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Tea Industry Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Tea Industry Chain Management

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Corresponding Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	03 Excellent Quality with Connecting the World
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	03 Excellent Quality with Connecting the World
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	03 Excellent Quality with Connecting the World
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	03 Excellent Quality with Connecting the World
KPI B6.4	Description of quality assurance process and recall procedures.	03 Excellent Quality with Connecting the World
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	03 Excellent Quality with Connecting the World
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.3 Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Business Ethics

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Corresponding Section
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.5 Giving Back to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	4.5 Giving Back to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	4.5 Giving Back to Society

Climate-related Disclosure		Disclosure Status	Corresponding Section
Governance	The governance body(s) responsible for oversight of climate-related risks and opportunities.	Disclosed	2.2 Addressing Climate Change
Strategy	Climate-related risks and opportunities	Disclosed	2.2 Addressing Climate Change
Strategy	Business model and value chain	Disclosed	2.2 Addressing Climate Change
Strategy	Strategy and decision-making	Disclosed	2.2 Addressing Climate Change
Strategy	Financial position, financial performance and cash flows – Current financial effect	Disclosed	2.2 Addressing Climate Change
Strategy	Financial position, financial performance and cash flows – Anticipated financial effect	Disclosed	2.2 Addressing Climate Change
Strategy	Climate resilience	Not yet disclosed	The Group will conduct assessments and analyses in the future
Risk Management	The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Disclosed	2.2 Addressing Climate Change

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate-related Disclosure		Disclosure Status	Corresponding Section
Metrics and Targets	GHG emissions	Disclosed	2.2 Addressing Climate Change
Metrics and Targets	Climate-related transition risks	Not yet disclosed	The Group's business operations do not involve assets or business activities subject to climate-related transition risks
Metrics and Targets	Climate-related physical Risks	Not yet disclosed	The Group's business operations do not involve assets or business activities subject to climate-related physical risks
Metrics and Targets	Climate-related opportunities	Not yet disclosed	The Group's business operations do not involve assets or business activities related to climate-related opportunities
Metrics and Targets	Capital utilization	Disclosed	2.2 Addressing Climate Change
Metrics and Targets	Internal carbon prices	Issue a negative statement	The Group has not yet set carbon prices
Metrics and Targets	Remunerations	Issue a negative statement	The Group has not yet incorporated climate-related considerations into its remuneration policy
Metrics and Targets	Industry-based metrics	Not yet disclosed	The Group has not identified or disclosed any industry-based metrics
Metrics and Targets	Climate-related targets	Disclosed	2.2 Addressing Climate Change

# INDEPENDENT AUDITOR'S REPORT

**To the shareholders of Bama Tea Co., Ltd.**

*(Incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Bama Tea Co., Ltd. (“the Company”) and its subsidiaries (“the Group”) set out on pages 142 to 209, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

### Revenue recognition for sales to franchisees

*Refer to note 4(a) to the consolidated financial statements and the accounting policies on pages 162 to 165.*

#### The Key Audit Matter

#### How the matter was addressed in our audit

The Group recognised sales to franchisees amounting to RMB1,085,317,000 for the year ended 31 December 2025, which contributed 49% of the Group's revenue.

The Group enters into sales contracts with franchisees for selling of tea products.

Franchisees generally make payments for their orders before product shipment. Revenue is recognised when products are delivered to and accepted by franchisees at locations specified in the sales orders.

We identified revenue recognition for sales to franchisees as a key audit matter, because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of revenue being recognised close to the financial year end to meet specific targets or expectations.

Our audit procedures to assess revenue recognition for sales to franchisees included the following:

- understanding and evaluating the design and implementation of key internal controls over recognition of sales to franchisees;
- inspecting sales contracts with franchisees, on a sample basis, to understand the contract terms including delivery, acceptance and sales returns and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards;
- comparing, on a sample basis, specific sales transactions around the end of the financial reporting period with relevant underlying documents, which included sales orders, goods acceptance notes and invoices, to assess whether the revenue had been recognised in the appropriate financial period;
- obtaining external confirmations on a sample basis, of the balance with respective franchisees as at the end of the financial reporting period; and
- identifying significant sales returns from the sales ledger subsequent to the financial reporting period, making enquiries of management and inspecting the relevant underlying documents to assess if the related sales adjustments to revenue had been accounted for in the appropriate financial period in accordance with the requirements of the prevailing accounting standards.

# INDEPENDENT AUDITOR'S REPORT

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Kai Wa (practising certificate number: P04696).

## **KPMG**

Certified Public Accountants

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

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	2,196,348	2,143,259
Cost of sales		(975,585)	(964,706)
<b>Gross profit</b>		<b>1,220,763</b>	1,178,553
Selling and marketing expenses		(700,310)	(692,154)
Administrative expenses		(215,132)	(165,699)
Research and development costs		(14,019)	(16,505)
Impairment losses on trade and other receivables	24(a)/16	(823)	(2,691)
Other income	5	18,095	16,235
Other net income	6(c)	2,642	2,462
Impairment losses of property, plant and equipment and right-of-use assets	11(a)	(2,403)	(2,213)
<b>Profit from operations</b>		<b>308,813</b>	317,988
Finance costs	6(a)	(8,088)	(9,624)
<b>Profit before taxation</b>		<b>300,725</b>	308,364
Income tax	7	(78,387)	(84,163)
<b>Profit and total comprehensive income for the year</b>		<b>222,338</b>	224,201
<b>Attributable to:</b>			
Equity shareholders of the Company		222,251	224,344
Non-controlling interests		87	(143)
<b>Profit and total comprehensive income for the year</b>		<b>222,338</b>	224,201
<b>Earnings per share</b>			
Basic and diluted (RMB)	10	2.86	2.95

The notes on pages 148 to 209 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 23(b).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	11	442,847	448,540
Investment property	12	6,949	7,223
Right-of-use assets	11	187,235	201,585
Intangible assets	13	23,540	28,999
Deferred tax assets	21(b)	38,327	29,630
Rental deposits	16	7,941	8,197
Prepayment for purchase of property, plant and equipment and right-of-use assets	16	926	953
		<b>707,765</b>	725,127
<b>Current assets</b>			
Inventories	15	579,191	438,977
Trade and other receivables	16	222,305	193,462
Deposits with a bank with original maturity date over three months	17(a)	90,000	90,000
Restricted bank deposits	17(a)	10,294	6,124
Cash and cash equivalents	17(a)	889,109	347,199
		<b>1,790,899</b>	1,075,762
<b>Current liabilities</b>			
Trade and other payables	18	507,128	382,446
Contract liabilities	19	55,109	53,104
Lease liabilities	20	54,443	55,577
Current taxation	21(a)	55,399	40,631
		<b>672,079</b>	531,758
<b>Net current assets</b>		<b>1,118,820</b>	544,004
<b>Total assets less current liabilities</b>		<b>1,826,585</b>	1,269,131
<b>Non-current liabilities</b>			
Lease liabilities	20	114,565	127,806
Deferred income	22	10,972	13,853
		<b>125,537</b>	141,659
<b>NET ASSETS</b>		<b>1,701,048</b>	1,127,472

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital	23(c)	85,000	76,000
Reserves	23(d)	1,614,220	1,049,226
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,699,220</b>	1,125,226
<b>Non-controlling interests</b>		<b>1,828</b>	2,246
<b>TOTAL EQUITY</b>		<b>1,701,048</b>	1,127,472

Approved and authorised for issue by the board of directors on 27 March 2026.

\_\_\_\_\_  
Wu Qingbiao  
Executive Director

\_\_\_\_\_  
Wang Wenlong  
Executive Director

The notes on pages 148 to 209 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	Attributable to equity shareholders of the Company						Total equity RMB'000
		Share Capital RMB'000 note 23(c)	Capital reserve RMB'000 note 23(d)(i)	Statutory reserve RMB'000 note 23(d)(ii)	Retained profits RMB'000	Non-controlling		
						Total RMB'000	interests RMB'000	
<b>Balance at 1 January 2024</b>		76,000	66,881	38,750	751,171	932,802	(211)	932,591
<b>Changes in equity for the year ended 31 December 2024:</b>								
Profit and other comprehensive income for the year		-	-	-	224,344	224,344	(143)	224,201
Dividends approved	23(b)	-	-	-	(31,920)	(31,920)	-	(31,920)
Capital injection from non-controlling interests ("NCI")		-	-	-	-	-	2,600	2,600
<b>Balance at 31 December 2024</b>		76,000	66,881	38,750	943,595	1,125,226	2,246	1,127,472

	Note	Attributable to equity shareholders of the Company						Total equity RMB'000
		Share Capital RMB'000 note 23(c)	Capital reserve RMB'000 note 23(d)(i)	Statutory reserve RMB'000 note 23(d)(ii)	Retained profits RMB'000	Non-controlling		
						Total RMB'000	interests RMB'000	
<b>Balance at 1 January 2025</b>		76,000	66,881	38,750	943,595	1,125,226	2,246	1,127,472
<b>Changes in equity for the year ended 31 December 2025:</b>								
Profit and other comprehensive income for the period		-	-	-	222,251	222,251	87	222,338
Appropriation to statutory reserve		-	-	3,811	(3,811)	-	-	-
Issuance of ordinary shares by initial public offering	23(c)	9,000	378,924	-	-	387,924	-	387,924
Dividends approved	23(b)	-	-	-	(36,181)	(36,181)	-	(36,181)
Capital injection from NCI		-	-	-	-	-	300	300
Dissolution of a subsidiary		-	-	-	-	-	(805)	(805)
<b>Balance at 31 December 2025</b>		85,000	445,805	42,561	1,125,854	1,699,220	1,828	1,701,048

The notes on pages 148 to 209 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Operating activities</b>			
Cash generated from operations	17(b)	387,466	367,245
Income tax paid	21(a)	(72,316)	(98,218)
<b>Net cash generated from operating activities</b>		<b>315,150</b>	<b>269,027</b>
<b>Investing activities</b>			
Payment for purchases of property, plant and equipment		(60,745)	(94,133)
Payment for purchases of intangible assets		(3,941)	(7,694)
Proceeds from disposal of property, plant and equipment, and right-of-use assets		1,320	2,023
Investment income from financial assets measured at fair value through profit or loss ("FVPL") received		2,230	1,711
Proceeds from disposal of financial assets measured at FVPL		–	140,240
Advance to the third party		–	(20,000)
Repayment from the third party		–	20,563
Restoration costs paid		(365)	(314)
<b>Net cash (used in)/generated from investing activities</b>		<b>(61,501)</b>	<b>42,396</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

(Expressed in Renminbi)

	Note	2025 RMB'000	2024 RMB'000
<b>Financing activities</b>			
Repayment of bank loans	17(c)	–	(60,000)
Payment of capital element of lease liabilities	17(c)	(57,006)	(68,720)
Payment of interest element of lease liabilities	17(c)	(8,088)	(8,930)
Interest of bank loans paid	17(c)	–	(694)
Cash received from capital injection from non-controlling interests		300	2,600
Payment to NCI for dissolution of a subsidiary		(805)	–
Payment for listing expenses		(3,034)	(3,125)
Proceeds from issue of ordinary shares by initial public offering, net of issuance costs	23(c)	394,083	–
Dividends paid to equity shareholders of the Company	17(c)	(36,175)	(31,912)
<b>Net cash generated from/(used in) financing activities</b>		<b>289,275</b>	<b>(170,781)</b>
<b>Net increase in cash and cash equivalents</b>		<b>542,924</b>	<b>140,642</b>
<b>Cash and cash equivalents at the beginning of the year</b>	17(a)	<b>347,199</b>	<b>206,557</b>
<b>Effect of foreign exchange rate changes</b>		<b>(1,014)</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the year</b>	17(a)	<b>889,109</b>	<b>347,199</b>

The notes on pages 148 to 209 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 1 GENERAL INFORMATION

Bama Tea Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 28 July 1997 as a limited liability company under the Companies laws of the PRC. The Company was converted into a joint stock limited liability company on 10 September 2014. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 28 October 2025.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the processing, production and sales of tea leaves and other tea products in the PRC.

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets measured at FVPL is stated at their fair value as explained in note 2(e).

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

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

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (d) Subsidiaries and non-controlling interests

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

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

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

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

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 24(e). These investments are subsequently accounted for as follows, depending on their classification.

#### (i) *Non-equity investments*

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

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(t)(ii)(a)), foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

### (f) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 2(j)(ii)). Depreciation is calculated to write off the costs of investment properties, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	25 – 40 years
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Both the useful life of an asset and its residual value, if any, are reviewed annually.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 2(t)(ii)(c).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost, less accumulated depreciation and any accumulated impairment losses (see note 2(j)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

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

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

The estimated useful lives are as follows:

<b>Right-of-use assets</b>	<b>Over the lease term</b>
Buildings	5 – 40 years
Leasehold improvements	Over the shorter of the lease term or 10 years
Plant and machinery	3 – 20 years
Motor vehicles	3 – 10 years
Furniture equipment	3 – 10 years
Electronic equipment and others	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(h) Intangible assets**

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(j)(ii)).

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

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

Software	2 – 10 years
Copyrights and trademarks	5 – 10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Leased assets

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

#### (i) As a lessee

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (i) Leased assets *(Continued)*

#### *(i) As a lessee (Continued)*

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

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

#### *(ii) As a lessor*

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

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

### (j) Credit losses and impairment of assets

#### *(i) Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit losses (“ECL”s) on financial assets measured at amortised cost (including cash and cash equivalents, deposits with a bank with original maturity date over three months, restricted bank deposits, trade and other receivables, rental deposits).

#### Measurement of ECLs

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments (Continued)

##### Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

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

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

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

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

##### Significant increases in credit risk

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

The Group assumes that the credit risk on a financial asset has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (j) Credit losses and impairment of assets *(Continued)*

#### (i) Credit losses from financial instruments *(Continued)*

Significant increases in credit risk *(Continued)*

- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.
- the financial asset is 1 year past due.

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 3 years past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

#### *Credit-impaired financial assets*

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments (Continued)

##### Credit-impaired financial assets (Continued)

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

##### Write-off policy

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

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

#### (ii) Impairment of other non-current assets

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(j) Credit losses and impairment of assets *(Continued)***

#### *(ii) Impairment of other non-current assets *(Continued)**

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

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

#### *(iii) Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

### **(k) Inventories**

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(l) Contract liabilities**

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)).

### **(m) Trade and other receivables**

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(j)(i)).

### **(n) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(j)(i)).

### **(o) Trade and other payables**

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

### **(p) Interest-bearing borrowings**

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(q) Employee benefits**

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

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

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the defined contribution basic pension insurance. There are no forfeited contributions for the defined contribution basic pension insurance in the PRC social insurance system as the contributions are fully vested to the employees upon payment to the scheme.

Obligations for contributions to defined contribution retirement plans are recognised as part of the cost of assets or expensed as the related service is provided.

#### *(ii) Termination benefits*

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

### **(r) Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(r) Income tax *(Continued)***

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(s) Provisions and contingent liabilities**

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

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

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

### **(t) Revenue and other income**

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

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

#### *(i) Revenue from contracts with customers*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (t) Revenue and other income *(Continued)*

#### (i) Revenue from contracts with customers *(Continued)*

##### (a) Direct sales to customers

The Group sells tea products to retail customers through online and offline stores.

- For retail customers that purchase from the Group's offline stores, sales revenue is recognised when customers take possession of the products.
- For retail customers that purchase from the Group's online stores, payment is collected when customers place purchase orders and sales revenue is recognised when customers accept the products upon delivery.
- The Group sells tea products to e-commerce platforms. Sales of products to e-commerce platforms are recognised when the Group's products are sold to end-customer by the e-commerce platform, as these are when the control of the Group's products has been passed.

The Group typically offers retail customers a right of return for a period of 7 days upon customer acceptance. The Group estimates the constrained transaction price with all reasonably available information and updates the variable consideration at each reporting date.

The Group operates membership programs for retail customers and members can earn loyalty points on their purchases. Points are redeemable against any future purchases of the Group's products or other offerings provided by the Group. The Group allocates a portion of the consideration to loyalty points based on the relative stand-alone selling prices. The amount allocated to the membership programs is deferred and recognised as revenue when loyalty points are redeemed or expire. Unused loyalty points generally expire in 24 months after they are granted.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (t) Revenue and other income *(Continued)*

#### (i) Revenue from contracts with customers *(Continued)*

#### (b) Sales to franchisees

The Group sells tea products to franchisees. Franchisees generally make payments for their purchase orders before product shipment. Sales revenue is recognised when the products are delivered to and accepted by franchisees at the locations specified in the sales orders.

The Group generally does not accept return of products from franchisees, except for quality defects. Group provides sales rebates to franchisees who satisfy relevant requirements specified in the purchase agreements and the Group's franchisees incentivising policies.

The above cash rewards to franchisees give rise to variable consideration. The Group uses the most likely amount approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of products to franchisees, the Group recognises revenue after taking into account adjustment to transaction price arising from cash rewards and returns which are estimated and updated at each reporting date.

#### (c) Other practical expedients applied

In addition, the Group has applied the following practical expedient:

- For sales contracts that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (t) Revenue and other income *(Continued)*

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

##### (a) Interest income

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

##### (b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of assets are initially recognised as deferred income and subsequently recognised as other income in profit or loss over the useful life of the assets.

##### (c) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(u) Translation of foreign currencies**

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

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

The assets and liabilities of foreign operations, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

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

### **(v) Borrowing costs**

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### **(w) Related parties**

*(a) A person, or a close member of that person's family, is related to the Group if that person:*

- (i) has control or joint control over the Group;*
- (ii) has significant influence over the Group; or*
- (iii) is a member of the key management personnel of the Group or the Group's parent.*

*(b) An entity is related to the Group if any of the following conditions applies:*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 2 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

### (x) Segment reporting

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

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

## 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 24 contains information about the assumptions and their risk factors relating to fair value of financial instruments. Other significant sources of estimation uncertainty are as follows:

### (a) Impairment of property, plant and equipment and right-of-use assets

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that property, plant and equipment and right-of-use assets may be impaired. If any such indication exists, the recoverable amount of the property, plant and equipment and right-of-use assets is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

### (b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of businesses, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are processing, production and sales of tea leaves and other tea products.

#### (i) Disaggregation of revenue

Disaggregation of revenue by major service lines is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Sales of tea leaves	1,953,366	1,901,031
Sales of tea ware	114,615	130,507
Sales of tea snacks	103,074	81,206
Sales of other products	16,838	23,873
Others (note (i))	7,402	5,426
	<b>2,195,295</b>	2,142,043
Revenue from other sources		
Gross rentals from investment properties	1,053	1,216
	<b>2,196,348</b>	2,143,259

Notes:

- (i) Others mainly comprised the revenue generated from rendering pre-opening training services and tea lounge services.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (a) Revenue (Continued)

#### (ii) Disaggregated by timing of revenue recognition

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	2025 RMB'000	2024 RMB'000
Disaggregated by timing of revenue recognition		
– Point in time	2,191,398	2,139,458
– Over time	4,950	3,801
	<b>2,196,348</b>	<b>2,143,259</b>

No individual customer contributed over 10% of total revenue of the Group for the years ended 31 December 2025 and 2024.

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

Contracts within the scope of IFRS 15

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its contracts for sales tea products and rendering service that had an original expected duration of one year or less and does not disclose the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment Reporting

The directors of the Company have been identified as the Group's most senior executive management. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. Therefore, the Group has one operating segment. The Group's most senior executive management reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

As substantially all of the Group's operations and assets are in the PRC, no geographic information is presented.

## 5 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income on:		
– bank deposits and others	2,952	2,376
– time deposits	2,460	2,460
– rental deposits	489	743
	<b>5,901</b>	5,579
Income from value-added tax exemption (note (i))	3,456	3,494
Government grants		
– Unconditional subsidies	5,857	4,566
– Conditional subsidies (note 22)	2,881	2,596
	<b>18,095</b>	16,235

Note:

- (i) Income from value-added tax exemption represented the exemption on value-added tax granted by the government authorities to small and low profit-making enterprise in the PRC.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

### 6 PROFIT BEFORE TAXATION

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

	2025 RMB'000	2024 RMB'000
<b>(a) Finance costs</b>		
Interest on bank loans (note 17(c))	–	694
Interest on lease liabilities (note 17(c))	<b>8,088</b>	8,930
	<b>8,088</b>	9,624
	2025 RMB'000	2024 RMB'000
<b>(b) Staff costs (including directors' emoluments)</b>		
Salaries, wages and other benefits	<b>331,041</b>	323,778
Contributions to defined contribution retirement plans	<b>22,405</b>	19,336
Termination benefits	<b>3,259</b>	2,767
	<b>356,705</b>	345,881

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 6 PROFIT BEFORE TAXATION (CONTINUED)

	2025 RMB'000	2024 RMB'000
<b>(c) Other net income</b>		
Gains on disposal of property, plant and equipment and right-of-use assets	1,929	2,625
Donation	(638)	(347)
Investment income from financial assets measured at FVPL	2,230	1,711
Termination cost of purchase contract for land use right (note 16)	–	(4,390)
Net foreign exchange loss	(1,014)	–
Others	135	2,863
	<b>2,642</b>	<b>2,462</b>
	2025 RMB'000	2024 RMB'000
<b>(d) Other items</b>		
Amortisation of intangible assets (note 13)	9,400	7,959
Depreciation charge		
– property, plant and equipment (note 11)	55,678	54,740
– right-of-use assets (note 11)	62,109	72,805
– investment property (note 12)	274	274
	<b>118,061</b>	<b>127,819</b>
Impairment losses of property, plant and equipment and right-of-use assets (note 11)	2,403	2,213
Auditor's remuneration		
– Audit services	2,300	372
– Other services (note (i))	3,442	1,827
Listing expenses	25,297	13,978

Note:

- (i) Other services include RMB3,242,000 (2024: RMB1,827,000) which is also included in the listing expenses disclosed separately below.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 7 INCOME TAX IN THE CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
Provision for the year (note 21(a))	87,084	83,476
<b>Deferred tax</b>		
(Origination)/reversal of accumulated tax loss and temporary differences (note 21(b))	(8,697)	687
	<b>78,387</b>	<b>84,163</b>

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

	2025 RMB'000	2024 RMB'000
Profit before taxation	300,725	308,364
Notional tax on profit before taxation	75,181	77,091
Statutory tax concession (i)	(678)	(302)
Tax effect of non-deductible expenses	5,382	6,061
Tax effect of non-taxable income	(80)	(95)
Tax effect of unused tax losses and deductible temporary differences not recognised	1,013	2,011
Tax effect of using deductible losses and deductible temporary differences not recognised	(891)	(603)
Others	(1,540)	–
Actual tax expense	<b>78,387</b>	<b>84,163</b>

Notes:

(i) Taxable income for the Group's subsidiaries in the PRC are subject to PRC income tax rate of 25% for the year ended 31 December 2025 (2024: 25%), unless otherwise specified below.

Certain subsidiaries met the criteria required for preferential income tax rate granted to small and low profit-making enterprise in the PRC, and were entitled to a preferential income tax rate of 5% on taxable income for the year ended 31 December 2025 (2024: 5%).

(ii) Subsidiary in Hong Kong which is newly set up in 2024, did not have any assessable profits for the year ended 31 December 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 8 DIRECTORS' EMOLUMENTS

Directors' emoluments as recorded in the financial statements are set out below:

	Year ended 31 December 2025				Total RMB'000
	Directors' and supervisors' fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	
<b>Chairman and director</b>					
Wang Wenli	-	1,145	50	84	1,279
<b>Executive directors</b>					
Wang Wenchao	-	931	554	84	1,569
Wu Qingbiao	-	1,116	890	84	2,090
Wang Kunheng	-	1,115	875	84	2,074
Wang Wenlong (appointed on 8 January 2025)	-	725	395	83	1,203
He Lei (resigned on 5 January 2025)	-	82	1	8	91
<b>Non-executive director</b>					
Wang Wenbin (re-designated as a non-executive director on 8 January 2025)	-	-	-	-	-
<b>Independent non-executive directors</b>					
Tong Naqiong	120	-	-	-	120
Ma Yuquan (resigned on 8 January 2025)	-	-	-	-	-
Wang Yuefei	120	-	-	-	120
Chiu Mun Wai (appointed on 8 January 2025)	228	-	-	-	228
<b>Supervisors*</b>					
Huang Lieping (resigned on 22 May 2025)	-	177	2	19	198
Li Xiaoyi (resigned on 22 May 2025)	-	-	-	-	-
Su Limin (resigned on 22 May 2025)	-	127	86	15	228
<b>Total</b>	<b>468</b>	<b>5,418</b>	<b>2,853</b>	<b>461</b>	<b>9,200</b>

\* In accordance with the provisions of the new Company Law, the Company abolished the supervisor committee on 22 May 2025. Accordingly, the supervisors emoluments for the year ended 31 December 2025 represent the emoluments paid to those supervisors up to the date of abolishing the supervisory committee.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 8 DIRECTORS' EMOLUMENTS (CONTINUED)

	Year ended 31 December 2024				Total RMB'000
	Directors' and supervisors' fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	
<b>Chairman and director</b>					
Wang Wenli	–	1,044	51	76	1,171
<b>Directors</b>					
Wang Wenbin	–	–	–	–	–
Wang Wenchao	–	904	623	76	1,603
Wu Qingbiao	–	1,108	890	76	2,074
Wang Kunheng (appointed on 21 February 2024)	–	1,006	821	69	1,896
Wu Qingxiang (resigned on 21 February 2024)	–	146	1	12	159
He Lei	–	934	748	76	1,758
<b>Independent non-executive directors</b>					
Liu Zhonghua (resigned on 21 February 2024)	–	–	–	–	–
Zhang Qingwei (resigned on 21 February 2024)	–	–	–	–	–
Tong Naqiong	120	–	–	–	120
Ma Yuquan (appointed on 21 February 2024)	120	–	–	–	120
Wang yuefei (appointed on 21 February 2024)	120	–	–	–	120
<b>Supervisors</b>					
Huang Lieping (appointed on 21 February 2024)	–	374	272	38	684
Li Xiaoyi	–	–	–	–	–
Su Limin	–	284	116	31	431
Zhang Yongjian (resigned on 21 February 2024)	–	61	–	6	67
<b>Total</b>	<b>360</b>	<b>5,861</b>	<b>3,522</b>	<b>460</b>	<b>10,203</b>

For the year ended 31 December 2025, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office (2024: Nil). There was no arrangement under which a director waived or agreed to waive any remuneration for the year ended 31 December 2025 (2024: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3 (2024: 3) are directors whose emoluments are disclosed in note 8.

The aggregate of the emoluments in respect of the other 2 (2024: 2) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	1,261	1,230
Discretionary bonuses	1,722	1,934
Retirement scheme contributions	142	124
	<b>3,125</b>	<b>3,288</b>

The emolument of the 2 (2024: 2) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HKD1,500,001 – HKD2,000,000	2	2

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB222,251,000 (2024: RMB224,344,000) and the weighted average of 77,602,740 ordinary shares (2024: 76,000,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2025	2024
Ordinary shares in issue at 1 January	76,000,000	76,000,000
Effect of ordinary shares issued upon initial public offerings	1,602,740	–
Weighted average number of ordinary shares at 31 December	<b>77,602,740</b>	76,000,000

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 10 EARNINGS PER SHARE (CONTINUED)

### (b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, there were no dilutive potential ordinary shares in existence and therefore diluted earnings per share were the same as basic earnings per share.

## 11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

### (a) Reconciliation of carrying amount

	Buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture equipment	Electronic equipment and others	Construction in progress	Subtotal	Property-use assets	Leasehold land – Right-of-use assets	Subtotal	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost:</b>												
At 1 January 2024	359,353	173,754	47,240	9,468	31,113	41,897	–	662,825	368,688	31,578	400,266	1,063,091
Additions	4,745	41,961	1,863	1,662	8,950	7,263	15,832	82,276	64,729	–	64,729	147,005
Transfer from construction in progress	14,994	–	–	–	100	738	(15,832)	–	–	–	–	–
Disposals	–	(28,186)	(557)	(308)	(4,964)	(2,415)	–	(36,430)	(114,294)	–	(114,294)	(150,724)
At 31 December 2024 and 1 January 2025	379,092	187,529	48,546	10,822	35,199	47,483	–	708,671	319,123	31,578	350,701	1,059,372
Additions	1,169	33,176	3,659	620	7,652	7,067	3,258	56,601	69,183	–	69,183	125,784
Transfer from construction in progress	62	2,178	–	–	–	–	(2,240)	–	–	–	–	–
Disposals	–	(16,645)	(2,511)	(295)	(1,848)	(746)	–	(22,045)	(87,430)	–	(87,430)	(109,475)
At 31 December 2025	380,323	206,238	49,694	11,147	41,003	53,804	1,018	743,227	300,876	31,578	332,454	1,075,681
<b>Accumulated depreciation:</b>												
At 1 January 2024	43,540	118,190	18,050	3,846	16,990	27,669	–	228,285	164,758	2,286	167,044	395,329
Charge for the year	12,915	21,660	5,208	1,594	6,898	6,465	–	54,740	72,167	638	72,805	127,545
Written back on disposals	–	(24,018)	(525)	(224)	(3,665)	(2,234)	–	(30,666)	(90,733)	–	(90,733)	(121,399)
At 31 December 2024 and 1 January 2025	56,455	115,832	22,733	5,216	20,223	31,900	–	252,359	146,192	2,924	149,116	401,475
Charge for the year	13,296	21,631	5,218	1,794	6,965	6,774	–	55,678	61,471	638	62,109	117,787
Written back on disposals	–	(12,069)	(1,854)	(279)	(1,185)	(660)	–	(16,047)	(66,006)	–	(66,006)	(82,053)
At 31 December 2025	69,751	125,394	26,097	6,731	26,003	38,014	–	291,990	141,657	3,562	145,219	437,209

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

### (a) Reconciliation of carrying amount (Continued)

	Buildings	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture equipment	Electronic equipment and others	Construction in progress	Subtotal	Property-Right-of-use assets	Leasehold land-Right-of-use assets	Subtotal	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Impairment:</b>												
At 1 January 2024	-	4,994	-	-	725	216	-	5,935	-	-	-	5,935
Addition	-	1,917	-	-	242	54	-	2,213	-	-	-	2,213
Written back on disposals	-	(261)	-	-	(51)	(64)	-	(376)	-	-	-	(376)
At 31 December 2024 and 1 January 2025	-	6,650	-	-	916	206	-	7,772	-	-	-	7,772
Addition	-	1,736	-	-	595	72	-	2,403	-	-	-	2,403
Written back on disposals	-	(1,632)	-	-	(120)	(33)	-	(1,785)	-	-	-	(1,785)
At 31 December 2025	-	6,754	-	-	1,391	245	-	8,390	-	-	-	8,390
<b>Net Book Value:</b>												
At 31 December 2025	310,572	74,090	23,597	4,416	13,609	15,545	1,018	442,847	159,219	28,016	187,235	630,082
At 31 December 2024	322,637	65,047	25,813	5,606	14,060	15,377	-	448,540	172,931	28,654	201,585	650,125

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

### (a) Reconciliation of carrying amount (Continued)

#### Impairment loss

At the end of each reporting period, in view of the unfavourable future prospects of certain self-operated physical stores, the Group's management estimated the recoverable amount of each such stores (cash-generating unit ("CGU")) with an indication of impairment. The recoverable amount of each CGU is determined based on fair value less cost of disposal, using direct comparison approach by assuming each of the stores is assigned in its current condition with vacant possession.

Significant unobservable inputs used in the fair value measurement include market rentals, by making reference to lease transactions of comparable properties in close proximity as available in the relevant market, adjusted for any difference in factors such as location and property size. The fair value on which the recoverable amount is based on its categorised as level 3 measurement.

For the year ended 31 December 2025, the carrying amount of certain CGUs exceeds their recoverable amount, therefore, an impairment loss of RMB2,403,000 (2024: RMB2,213,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

### (b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2025 RMB'000	2024 RMB'000
Property – Right-of-use assets, carried at depreciated cost (note (i))	159,219	172,931
Leasehold land – Right-of-use assets, carried at depreciated cost (note (ii))	28,016	28,654
	<b>187,235</b>	<b>201,585</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

### (b) Right-of-use assets (Continued)

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

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Property – Right-of-use assets	61,471	72,167
Leasehold land – Right-of-use assets	638	638
	<b>62,109</b>	72,805
Interest on lease liabilities (note 6(a))		
	<b>8,088</b>	8,930
Expense relating to short-term leases	<b>15,698</b>	13,657
Variable lease payments not included in the measurement of lease liabilities	<b>1,634</b>	1,638

For the year ended 31 December 2025, additions to right-of-use assets were RMB69,183,000 (2024: RMB64,729,000). These amounts primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 17(d) and 20, respectively.

Notes:

#### (i) Property – Right-of-use assets

The Group has obtained the right to use properties as its self-operated physical stores through tenancy agreements. The leases run for an initial period of 2 to 12 years (2024: 2 to 12 years).

The Group leased a number of stores which contain variable lease payment terms that are based on sales generated from the stores and minimum annual lease payment terms that are fixed. These payment terms are common in stores in the PRC where the Group principally operates.

The amount of fixed and variable lease payments for the year ended 31 December 2025 is summarised below:

	2025 RMB'000	2024 RMB'000
Fixed payments	65,094	77,650
Rental expense related to variable payments	2,054	2,272
Total payments	<b>67,148</b>	79,922

#### (ii) Leasehold land – Right-of-use assets

The Group's land-use rights on leasehold land are located in Chinese Mainland. Depreciation is recognised in profit or loss on a straight-line basis over the respective periods of the land-use rights, which are 44 to 50 years for the year ended 31 December 2025 (2024: 44 to 50 years).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 12 INVESTMENT PROPERTY

	RMB'000
<b>Cost:</b>	
At 1 January 2024 and 31 December 2024 and 1 January 2025 and 31 December 2025	10,422
<b>Accumulated amortisation:</b>	
At 1 January 2024	2,925
Charge for the year	274
At 31 December 2024 and 1 January 2025	3,199
Charge for the year	274
At 31 December 2025	3,473
<b>Net book value:</b>	
At 31 December 2025	6,949
At 31 December 2024	7,223

The rental income is included in 'revenue'. The Group leased out investment property under operating leases. The operating leases mainly run for an initial period of 1 to 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are regularly increased to reflect market rentals. None of the leases includes contingent rentals.

Undiscounted lease payments under operating leases in place at 31 December 2025 will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Less than 1 year	720	990
1 to 2 years	220	599
2 to 3 years	125	10
3 to 4 years	-	5
Total undiscounted lease payments	1,065	1,604

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 12 INVESTMENT PROPERTY (CONTINUED)

Amount recognised in profit or loss

	2025 RMB'000	2024 RMB'000
Rental income (note 4(a))	1,053	1,216
Direct operating expenses that generated rental income during the year	(274)	(274)
Direct operating expenses that did not generate rental income during the year	(96)	(96)
	<b>683</b>	<b>846</b>

As at 31 December 2025, the fair value of the Group's investment property was approximately RMB16,600,000 (2024: RMB17,100,000). The fair value is determined by the Directors of the Company mainly with reference to the valuation performed by an independent qualified professional valuer, using the income capitalisation approach with reference to the term value and the reversionary value calculated by discounting the contracted annual rent at the capitalisation rate over the existing lease period and the sum of average unit market rent at the capitalisation rate after the existing lease period.

## 13 INTANGIBLE ASSETS

	Software RMB'000	Copyrights and trademarks RMB'000	Total RMB'000
<b>Cost:</b>			
At 1 January 2024	46,065	67	46,132
Additions	7,694	–	7,694
At 31 December 2024 and 1 January 2025	53,759	67	53,826
Additions	3,941	–	3,941
At 31 December 2025	57,700	67	57,767
<b>Accumulated amortisation:</b>			
At 1 January 2024	16,810	58	16,868
Charge for the year	7,956	3	7,959
At 31 December 2024 and 1 January 2025	24,766	61	24,827
Charge for the year	9,399	1	9,400
At 31 December 2025	34,165	62	34,227
<b>Net book value:</b>			
At 31 December 2025	23,535	5	23,540
At 31 December 2024	28,993	6	28,999

The amortisation charge for the years ended 31 December 2025 is included in “cost of sales” and “administrative expenses” in the consolidated statement of profit or loss and other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally and significantly affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place of incorporation and operation	Particulars of issued capital	Particulars of paid-up capital	Proportion of ownership interest		Principal activities
				Direct interest	Indirect interest	
武夷山八馬茶業有限公司 (formerly known as 福建武夷山王信記茶業有限公司) (Wuyishan Bama Tea Co., Ltd. (formerly known as Fujian Wuyishan Wangxinji Tea Co., Ltd.)) (note (i))	PRC	RMB8,000,000	RMB8,000,000	–	100.0%	Processing and production of tea leaves and other tea products
福建八馬茶業有限公司 (Fujian Bama Tea Co., Ltd.) (note (i))	PRC	RMB30,800,000	RMB30,800,000	100.0%	–	Processing, production and sales of tea leaves and other tea products
泉州八馬茶業有限公司 (Quanzhou Bama Tea Co., Ltd.) (note (i))	PRC	RMB5,000,000	RMB1,000,000	100.0%	–	Sales of tea leaves and other tea products
廈門鑫八馬茶業有限公司 (Xiamen Xin Bama Tea Co., Ltd.) (note (i))	PRC	RMB5,000,000	RMB1,000,000	100.0%	–	Sales of tea leaves and other tea products
福州鑫八馬茶業有限公司 (Fuzhou Xin Bama Tea Co., Ltd.) (note (i))	PRC	RMB500,000	RMB500,000	–	100.0%	Sales of tea leaves and other tea products
泉州豐澤八馬茶業有限公司 (Quanzhou Fengze Bama Tea Co., Ltd.) (note (i))	PRC	RMB5,000,000	–	–	100.0%	Sales of tea leaves and other tea products
深圳市萬山紅茶業有限公司 (Shenzhen Wanshanhong Tea Co., Ltd.) (note (i))	PRC	RMB30,000,000	RMB9,000,000	80.0%	–	Sales of tea leaves and other tea products

Note:

- (i) These entities are PRC limited liability companies. The official names of these entities are in Chinese. The English translation of the names is for reference only.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 15 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2025 RMB'000	2024 RMB'000
Raw material	110,430	47,467
Work in progress	56,581	46,411
Finished goods and goods in transit	412,180	345,099
	<b>579,191</b>	438,977

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

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories consumed	954,910	944,483
Write-down of inventories	–	200
	<b>954,910</b>	944,683

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 16 TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
<b>Current</b>		
Trade receivables, net of loss allowance	85,740	64,039
Deposits	19,291	18,897
Value-added tax recoverable	5,629	11,464
Amount due from local authority (note (i))	66,410	66,410
Other receivables	5,526	3,554
Payments for listing expenses	–	6,962
Prepayments to vendors	39,709	22,136
	<b>222,305</b>	<b>193,462</b>
<b>Non-current</b>		
Rental deposits	7,941	8,197
Prepayment for purchase of property, plant and equipment and right-of-use assets	926	953
	<b>8,867</b>	<b>9,150</b>

Current portion of the trade and other receivables are expected to be recovered or recognised as expense within one year or are recovered on demand.

For the year ended 31 December 2025, a reversal of impairment losses on other receivables of RMB359,000 (2024: impairment losses on other receivables of RMB1,616,000) was recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

Note:

- (i) In December 2023, the Company and a third party entered into a land use right transfer contract (the “Contract”) with the local authority for a jointly development project. The Company made a prepayment of RMB70,800,000 to local authority representing 60% its interest in the land use right.

In 2024, the third party withdrew from the project, leading the Company to terminate its involvement. The Company applied for a refund of the prepayment, which was approved in November 2024 by the local authority. A land occupation fee of RMB4,390,000 was payable by the Company to the local authority, which was recognised as an expense in Other net income. The refund after deducting the land occupation fee was received in February 2026.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

### Ageing analysis:

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

	2025 RMB'000	2024 RMB'000
Within 1 year	85,407	63,502
More than 1 year but within 2 years	222	515
More than 2 years but within 3 years	111	22
	<b>85,740</b>	<b>64,039</b>

Further details on the Group's credit policy are set out in note 24(a).

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

### (a) Cash and cash equivalents comprise:

	2025 RMB'000	2024 RMB'000
Cash at bank	989,403	443,323
Less: deposits with banks with original maturity date over three months	(90,000)	(90,000)
Less: restricted bank deposits (note (ii))	(10,294)	(6,124)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	<b>889,109</b>	<b>347,199</b>

- (i) As at 31 December 2025, restricted cash of RMB6,233,000 (2024: RMB6,122,000) was reserved for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of PRC and restricted cash of RMB4,059,000 (2024: Nil) was restricted for a contractual disputes by the Courts.
- (ii) As at 31 December 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB499,066,000 (2024: RMB347,199,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

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

	Note	2025 RMB'000	2024 RMB'000
Profit before taxation		300,725	308,364
Adjustments for:			
Investment income from financial assets measured at FVPL	6(c)	(2,230)	(1,711)
Depreciation	6(d)	118,061	127,819
Amortisation of intangible assets	6(d)	9,400	7,959
Interest income	5	(2,949)	(3,766)
Foreign exchange loss	6(c)	1,014	–
Finance costs	6(a)	8,088	9,624
Gains on disposal of property, plant and equipment and right-of-use assets	6(c)	(1,929)	(2,625)
Impairment losses on trade and other receivables		823	2,691
Impairment losses of property, plant and equipment and right-of-use assets	11(a)	2,403	2,213
Restoration costs		365	314
Termination cost of the land use right purchase contract	6(c)	–	4,390
Changes in working capital:			
Increase in inventories		(140,214)	(2,635)
(Decrease)/increase in deferred income		(2,881)	1,357
Increase in trade and other receivables and rental deposits		(35,616)	(4,433)
Increase/(decrease) in trade and other payables and accruals		134,571	(60,340)
Increase/(decrease) in contract liabilities		2,005	(22,106)
(Increase)/decrease in restricted bank deposits		(4,170)	130
Cash generated from operations		387,466	367,245

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (c) Reconciliation of liabilities arising from financing activities:

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

	Lease liabilities RMB'000 note 20	Dividends payable RMB'000 note 18	Total RMB'000
<b>At 1 January 2025</b>	183,383	50	183,433
<b>Changes from financing cash flows:</b>			
Payment of capital element of lease liabilities	(57,006)	–	(57,006)
Payment of interest element of lease liabilities	(8,088)	–	(8,088)
Dividends paid to equity shareholders of the Company*	–	(36,175)	(36,175)
<b>Total changes from financing cash flows</b>	<b>(65,094)</b>	<b>(36,175)</b>	<b>(101,269)</b>
<b>Other changes:</b>			
Interest expenses (note 6(a))	8,088	–	8,088
Dividends approved to equity shareholders of the Company	–	36,181	36,181
Increase in lease liabilities from entering into new leases during the year	69,183	–	69,183
Decrease in lease liabilities from terminating leases during the period	(26,552)	–	(26,552)
<b>Total other changes</b>	<b>50,719</b>	<b>36,181</b>	<b>86,900</b>
<b>At 31 December 2025</b>	<b>169,008</b>	<b>56</b>	<b>169,064</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

	Bank loans RMB'000	Lease liabilities RMB'000 note 20	Dividends payable RMB'000 note 18	Total RMB'000
<b>At 1 January 2024</b>	60,000	216,442	42	276,484
<b>Changes from financing cash flows:</b>				
Repayment of bank loans	(60,000)	–	–	(60,000)
Payment of capital element of lease liabilities	–	(68,720)	–	(68,720)
Payment of interest element of lease liabilities	–	(8,930)	–	(8,930)
Interest of bank loans paid	(694)	–	–	(694)
Dividends paid to equity shareholders of the Company*	–	–	(31,912)	(31,912)
<b>Total changes from financing cash flows</b>	<b>(60,694)</b>	<b>(77,650)</b>	<b>(31,912)</b>	<b>(170,256)</b>
<b>Other changes:</b>				
Interest expenses (note 6(a))	694	8,930	–	9,624
Dividends approved to equity shareholders of the Company	–	–	31,920	31,920
Increase in lease liabilities from entering into new leases during the year	–	64,729	–	64,729
Decrease in lease liabilities from terminating leases during the year	–	(29,068)	–	(29,068)
<b>Total other changes</b>	<b>694</b>	<b>44,591</b>	<b>31,920</b>	<b>77,205</b>
<b>At 31 December 2024</b>	<b>–</b>	<b>183,383</b>	<b>50</b>	<b>183,433</b>

\* The amount of dividends paid to equity shareholders of the Company includes the payment of withholding individual income tax.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

### (d) Total cash out flow for leases:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	18,116	12,013
Within financing cash flows	65,094	77,650
	<b>83,210</b>	89,663

These amounts relate to the following:

	2025 RMB'000	2024 RMB'000
Lease rentals settled	83,210	89,663

## 18 TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	273,932	155,749
Deposits	82,198	74,385
Payables for purchase of property, plant and equipment	20,339	30,230
Staff cost payables	49,678	50,330
Other taxes payables	24,725	22,270
Dividends payable	56	50
Refund liabilities arising from sales rebate	14,121	12,726
Amounts due to related parties (note 26(d))	2,275	1,734
Other payables	39,804	34,972
	<b>507,128</b>	382,446

All of the payables are expected to be settled within one year or are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

### 18 TRADE AND OTHER PAYABLES (CONTINUED)

As of the end of the reporting period, the ageing analysis of trade payables and bill payables, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	273,473	155,530
After 1 year	459	219
	<b>273,932</b>	<b>155,749</b>

### 19 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Customer loyalty scheme	5,672	4,432
Prepaid card	15,749	14,949
Advanced payment received	33,688	33,723
	<b>55,109</b>	<b>53,104</b>

Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	53,104	75,210
Increase in contract liabilities as a result of receiving advance payment of prepaid card during the year	3,380	3,419
Increase in contract liabilities as a result of receiving advance payment of customer loyalty scheme during the year	2,475	3,885
Increase in contract liabilities as a result of receiving advance payment from franchisees for purchase of goods during the year	44,822	48,864
Decrease in contract liabilities as a result of recognising revenue during the year	(48,672)	(78,274)
	<b>55,109</b>	<b>53,104</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 20 LEASE LIABILITIES

As at 31 December 2025, the lease liabilities were repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	60,906	62,672
After 1 year but within 2 years	43,869	82,819
After 2 years but within 5 years	64,542	55,010
After 5 years	16,844	2,060
	<b>186,161</b>	202,561
Less: total future interest expenses	17,153	19,178
Present value of lease liabilities	<b>169,008</b>	183,383
Lease liabilities included in the consolidated statement of financial position		
– Within 1 year	54,443	55,577
– After 1 year but within 2 years	39,553	74,982
– After 2 years but within 5 years	58,948	50,809
– After 5 years	16,064	2,015
	<b>114,565</b>	127,806
	<b>169,008</b>	183,383

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

### (a) Current taxation in the consolidated statement of financial position represents:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	40,631	55,373
Provisions for income tax for the year	87,084	83,476
Income tax paid	(72,316)	(98,218)
At the end of the year	55,399	40,631

### (b) Deferred tax assets and liabilities recognised

#### (i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements for the year ended 31 December 2025 are as follows:

Deferred tax assets/(liabilities) arising from:	Unused tax losses	Right-of-use assets	Lease liabilities	Impairment losses	Unrealised intra-group profit	Deferred income	Customer loyalty scheme	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,429	(49,139)	54,000	7,000	13,299	2,396	995	337	30,317
(Charged)/credited to profit or loss (note 7(a))	(641)	8,707	(10,901)	918	2,976	473	(14)	(2,205)	(687)
At 31 December 2024 and 1 January 2025	788	(40,432)	43,099	7,918	16,275	2,869	981	(1,868)	29,630
Credited/(charged) to profit or loss (note 7(a))	762	3,124	(3,491)	(125)	7,700	(680)	138	1,269	8,697
At 31 December 2025	1,550	(37,308)	39,608	7,793	23,975	2,189	1,119	(599)	38,327

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 21 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

### (b) Deferred tax assets and liabilities recognised (Continued)

#### (ii) Reconciliation to the consolidated statement of financial position

	2025 RMB'000	2024 RMB'000
Net deferred tax asset in the consolidated statement of financial position	38,327	29,630

### (c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), as at 31 December 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB18,737,000 (2024: RMB23,157,000), as it is not probable that future taxable profits against which the losses or temporary differences can be utilised will be available in the relevant tax jurisdiction and entity.

The expiration information of the Group's unrecognised deferred tax assets in respect of cumulative tax losses is set out below:

	2025 RMB'000	2024 RMB'000
2025	–	2,369
2026	3,837	4,837
2027	2,787	4,081
2028	6,448	9,351
2029	2,255	2,256
2030	2,870	–
No expiration date	540	263
Total	18,737	23,157

All the tax losses of subsidiaries of the Group in PRC can be carried forward for a maximum period of five years. The tax losses of subsidiary of the Group in Hong Kong do not expire under current tax legislation.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 22 DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
At the beginning of the year	13,853	12,496
Additions	–	3,953
Credited to profit or loss (note 5)	(2,881)	(2,596)
At the end of the year	10,972	13,853

Deferred income mainly represents government grants relating to construction of property, plant and equipment, which are recognised as income on a straight-line basis over the expected useful life of relevant assets.

## 23 CAPITAL, RESERVES AND DIVIDENDS

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company	Note	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024		76,000	82,214	38,688	279,913	476,815
Total comprehensive income for the year		–	–	–	114,858	114,858
Dividends approved	23(b)	–	–	–	(31,920)	(31,920)
At 31 December 2024 and 1 January 2025		76,000	82,214	38,688	362,851	559,753
Total comprehensive income for the year		–	–	–	81,339	81,339
Issuance of ordinary shares by initial public offering	23(c)	9,000	378,924	–	–	387,924
Dividends approved	23(b)	–	–	–	(36,181)	(36,181)
Appropriation to statutory reserve		–	–	3,811	(3,811)	–
At 31 December 2025		85,000	461,138	42,499	404,198	992,835

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

### (b) Dividends

#### (i) Dividends payable to equity shareholders of the Company attributable to the year

	2025 RMB'000	2024 RMB'000
Final dividend proposed after the end of the year of RMB nil per ordinary share (2024: RMB0.48 per ordinary share)	–	36,181

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

#### (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year of RMB0.48 per ordinary share (2024: RMB0.42)	36,181	31,920

### (c) Share capital

#### Issued share capital

	2025		2024	
	No. of shares	Nominal value of fully paid shares RMB'000	No. of shares	Nominal value of fully paid shares RMB'000
<b>Ordinary shares of RMB1.00 each, issued and fully paid:</b>				
At 1 January	76,000,000	76,000	76,000,000	76,000
Shares issued by initial public offering (note (i))	9,000,000	9,000	–	–
At 31 December	85,000,000	85,000	76,000,000	76,000

Note:

- (i) 9,000,000 ordinary shares of par value of RMB1.0 each were issued at a price of HK\$50.0 per ordinary share upon the listing of the shares of the Company on the Stock Exchange of Hong Kong Limited. The gross proceeds raised from the offering was HKD450,000,000 (equivalent to approximately RMB410,526,000). Net proceeds from the offering were RMB387,924,000 (after offsetting costs directly attributable to the issuance of shares of approximately RMB22,602,000), of which RMB9,000,000 was credited to the Company's share capital account and the remaining RMB378,924,000 was credited to the Company's capital reserve account.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 23 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

### (d) Nature and purposes of reserves

#### (i) Capital reserve

Arising from conversion into a joint stock limited liability company

It represents the capital reserve contributed by the shareholders of the Company after its conversion into a joint stock limited liability company in August 2014.

Arising from business combination involving enterprises under common control

It represents the difference between the capital reserve of the subsidiary now comprising the Group and consideration paid by the Company for acquiring the subsidiary now comprising the Group under common control.

Arising from acquisition of non-controlling interest

It represents the differences between the consideration paid and acquired proportionate interest in identifiable net assets of Wuyishan Bama Tea Co., Ltd. and Shenzhen Dike Catering Management Co., Ltd. from non-controlling shareholders was recognised as a deduction from capital reserve.

Arising from capital injection

It represents the excess of capital injections made by the equity shareholders over the par value of the shares issued.

#### (ii) Statutory reserve

According to the PRC Company Law, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation, as determined under the PRC accounting regulations, to statutory reserve until the reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined based on the statutory financial statements prepared in accordance with PRC accounting standards. The transfer to this reserve must be made before distribution of dividend to shareholders.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

# NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Renminbi unless otherwise indicated)*

## 23 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

### (e) Capital management

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

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

For the year ended 31 December 2025, the Group's overall strategy, which was unchanged from 2024. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2025 was 31.9% (2024: 37.4%).

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity interest and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted deposits and deposits with a bank with original maturity date over three months is limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers to have low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (Continued)

#### Trade receivables

The Group's trade receivables mainly due from e-commerce platforms, the third party payment platforms such as UnionPay, Alipay and WeChat Pay and shopping mall.

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Group's trade receivables are settled through the third party payment platforms within 3 days. The receivables due from e-commerce platforms and shopping mall are due within 30 – 60 days from the date of billing. Debtors with balances that are more than 2 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2025, 50% (2024: 62%) of the total trade receivables was due from the Group's largest customer.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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

	As at 31 December 2025		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 1 year	4.79%	89,705	4,298
More than 1 year but within 2 years	20.71%	280	58
More than 2 years but within 3 years	50.45%	224	113
More than 3 years	100.00%	85	85
		90,294	4,554

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (a) Credit risk (Continued)

#### Trade receivables (Continued)

	As at 31 December 2024		
	Expected	Gross	Loss
	loss rate	carrying	allowance
	%	amount	RMB'000
		RMB'000	RMB'000
Within 1 year	4.89%	66,766	3,264
More than 1 year but within 2 years	19.91%	643	128
More than 2 years but within 3 years	50.00%	44	22
More than 3 years	100.00%	105	105
		67,558	3,519

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables for the year ended 31 December 2025 is as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	3,519	2,547
Amounts written off	(147)	(103)
Impairment losses recognised	1,182	1,075
At the end of the year	4,554	3,519

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Liquidity risk

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

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

	As at 31 December 2025					Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and other payables	507,128	-	-	-	507,128	507,128
Lease liabilities	60,906	43,869	64,542	16,844	186,161	169,008
	568,034	43,869	64,542	16,844	693,289	676,136

	As at 31 December 2024					Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Trade and other payables	382,446	-	-	-	382,446	382,446
Lease liabilities	62,672	82,819	55,010	2,060	202,561	183,383
	445,118	82,819	55,010	2,060	585,007	565,829

### (c) Interest rate risk

The Group's exposure to the interest rate risk is not significant since the Group does not hold any financial instrument of which the fair value or future cash flows will fluctuate due to changes in market interest rates.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

### (d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

### (e) Fair value measurement

#### (i) Financial assets measured at fair value

Fair value hierarchy

IFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

The Group has a team headed by the finance manager performing valuations for the financial instruments, including structured deposits which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer.

For the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

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

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2025 and 2024 because of the short-term maturities of all these financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 25 COMMITMENTS

Capital commitments of the Group outstanding at 31 December 2025 not provided for in the financial statements were as follows:

	2025 RMB'000	2024 RMB'000
Contracted for acquisition of property, plant and equipment and right-of-use assets	3,839	1,610

## 26 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Names and relationships of the related parties that had material transactions with the Group

For the year ended 31 December 2025, the directors are of the view that the following are related parties of the Group:

Name of party	Relationship with the Group
Wang Wenli (王文禮)*	Controlling shareholder
Wang Wenbin (王文彬)*	Controlling shareholder
Wang Wenchao (王文超)*	Controlling shareholder
Chen Xin (陳昕)*	Close members of the family of the controlling shareholder
Liu Chaolan (劉超蘭)*	Close members of the family of the director
Guangxi Jiuyun Tea Industry Co., Ltd. (廣西九雲茶業有限公司)*	Entity controlled by close members of the family of the controlling shareholder
Shenzhen Yintai Tea Industry Co., Ltd. (深圳市銀泰茶業有限公司)*	Entity controlled by close members of the family of the director
Jiangxi Youyuan Industrial Co., Ltd. (江西優源實業有限公司)*	Entity controlled by close members of the family of the controlling shareholder
Shenzhen Futian District Guangfutang Tea Firm (深圳市福田區廣福堂茶業商行)*	Entity controlled by close members of the family of the controlling shareholder (ceased to be a related party since 1 January 2025)
Shenzhen Yunxiang Tea Industry Co., Ltd. (深圳市雲祥茶業有限公司)*	Entity controlled by close members of the family of the director
Foshan Dacheng Tea Industry Co., Ltd. (佛山市大成茶業有限公司)*	Entity controlled by close members of the family of the key management personnel (ceased to be a related party since 1 January 2025)
Fujian Anxi Yuanfang Tea Co., Ltd. (福建省安溪源芳茶業有限公司)*	Entity controlled by close members of the family of the controlling shareholder
Guangzhou Xiangtai Tea Industry Co., Ltd. (廣州市祥泰茶業有限公司)*	Entity controlled by close members of the family of the director
Huizhou Yunteng Tea Industry Co., Ltd. (惠州市雲騰茶業有限公司)*	Entity controlled by close members of the family of the director

\* The official names of these entities are in Chinese. The English names are for identification purpose only.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Key management personnel remuneration

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

	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	11,675	14,041
Contributions to defined contribution retirement plan	655	625
	<b>12,330</b>	<b>14,666</b>

### (c) Related parties transactions

The Group entered into the following material related party transactions for the year ended 31 December 2025:

	2025	2024
	RMB'000	RMB'000
<b>Trade in nature</b>		
<b>Sales of tea leaves and other products</b>		
– Guangxi Jiuyun Tea Industry Co., Ltd.	7,997	8,596
– Shenzhen Yintai Tea Industry Co., Ltd.	8,636	8,558
– Jiangxi Youyuan Industrial Co., Ltd.	3,354	3,769
– Shenzhen Futian District Guangfutang Tea Firm	–	3,542
– Shenzhen Yunxiang Tea Industry Co., Ltd.	4,609	5,892
– Foshan Dacheng Tea Industry Co., Ltd.	–	3,783
– Guangzhou Xiangtai Tea Industry Co., Ltd.	392	123
– Huizhou Yunteng Tea Industry Co., Ltd.	1,548	–
	<b>26,536</b>	<b>34,263</b>
<b>Rental income</b>		
– Fujian Anxi Yuanfang Tea Co., Ltd.	265	309
<b>Payment of lease liabilities</b>		
– Chen Xin	86	86
– Liu Chaolan	196	196
	<b>282</b>	<b>282</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (d) Balance with related parties

As at 31 December 2025, the Group had the following balances with related parties:

	2025 RMB'000	2024 RMB'000
<b>Trade in nature</b>		
<b>Trade and other payables</b>		
– Foshan Dacheng Tea Industry Co., Ltd.	–	200
– Guangxi Jiuyun Tea Industry Co., Ltd.	888	583
– Jiangxi Youyuan Industrial Co., Ltd.	194	116
– Shenzhen Futian District Guangfutang Tea Firm	–	130
– Shenzhen Yintai Tea Industry Co., Ltd.	370	343
– Shenzhen Yunxiang Tea Industry Co., Ltd.	219	282
– Guangzhou Xiangtai Tea Industry Co., Ltd.	156	80
– Huizhou Yunteng Tea Industry Co., Ltd.	448	–
	<b>2,275</b>	1,734
<b>Contract liabilities</b>		
– Foshan Dacheng Tea Industry Co., Ltd.	–	8
– Guangxi Jiuyun Tea Industry Co., Ltd.	89	139
– Jiangxi Youyuan Industrial Co., Ltd.	110	400
– Shenzhen Yunxiang Tea Industry Co., Ltd.	–	313
– Shenzhen Futian District Guangfutang Tea Firm	–	2
– Shenzhen Yintai Tea Industry Co., Ltd.	149	107
– Fujian Anxi Yuanfang Tea Co., Ltd.	118	181
– Guangzhou Xiangtai Tea Industry Co., Ltd.	98	61
– Huizhou Yunteng Tea Industry Co., Ltd.	17	–
	<b>581</b>	1,211
<b>Lease liabilities</b>		
– Chen Xin	232	309
– Liu Chaolan	282	96
	<b>514</b>	405
	<b>3,370</b>	3,350

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (e) Leasing arrangement

For the year ended 31 December 2025, the Group entered into several lease contracts in respect of certain leasehold properties from Liu Chaolan and Chen Xin for office and stores operations. The amount of rent payable (excluding taxes) by the Group under the leases ranges from RMB7,500 to RMB16,300 per month (2024: RMB7,500 to RMB16,300 per month), which was determined with reference to amounts charged by Liu Chaolan and Chen Xin to third parties. As at 31 December 2025, the relevant right-of-use assets amounted to RMB576,000 (2024: RMB467,000).

### (f) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes 26(c) and 26(e) constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section “Connected Transactions” of the Directors’ Report.

## 27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2025 RMB’000	31 December 2024 RMB’000
<b>Non-current assets</b>		
Property, plant and equipment	69,863	75,827
Right-of-use assets	93,033	107,221
Intangible assets	22,133	26,747
Investment in subsidiaries	72,567	76,067
Deferred tax assets	10,302	9,816
Rental deposits	4,518	5,122
Prepayment for purchase of property, plant and equipment and right-of-use assets	666	677
	<b>273,082</b>	<b>301,477</b>
<b>Current assets</b>		
Inventories	455,778	371,591
Trade and other receivables	334,448	268,267
Deposits with a bank with original maturity date over three months	90,000	90,000
Restricted bank deposits	10,292	6,122
Cash and cash equivalents	839,005	298,414
	<b>1,729,523</b>	<b>1,034,394</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>Current liabilities</b>		
Trade and other payables	848,709	602,937
Contract liabilities	34,536	36,257
Lease liabilities	33,394	33,775
Current taxation	17,545	10,358
	934,184	683,327
<b>Net current assets</b>	795,339	351,067
<b>Total assets less current liabilities</b>	1,068,421	652,544
<b>Non-current liabilities</b>		
Lease liabilities	68,223	82,377
Deferred income	7,363	10,414
	75,586	92,791
<b>NET ASSETS</b>	992,835	559,753
	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>CAPITAL AND RESERVES</b>		
Share capital	85,000	76,000
Reserves	907,835	483,753
<b>TOTAL EQUITY</b>	992,835	559,753

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

## 28 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 31 December 2025, the Directors consider the immediate parent and ultimate controlling parties of the Group to be Wang Wenli, Wang Wenbin, Chen Yajing, Wu Xiaoning, Wang Xiaoping and Wang Wenchao.

## 29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

### IFRS 18, Presentation and disclosure in financial statements

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

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

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

## DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“Articles”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Board
“Bama Xiandai”	Fujian Anxi Bama Xiandai Agriculture Development Co., Ltd. (福建安溪八馬現代農業綜合開發有限公司), a limited liability company established under the laws of the PRC on October 15, 2010, and a wholly-owned subsidiary of Fujian Bama
“Board”	the board of Directors of the Company
“Chairman”	the chairman of the Board
“Chayuan Technology”	Shenzhen Chayuan Technology Co., Ltd. (深圳市茶源科技有限公司), a limited liability company established under the laws of the PRC on May 12, 2025, and held as to 70% by the Company and 30% by Yiye Guanshan
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this annual report only, the regions of Hong Kong, Macau Special Administrative Region and Taiwan of the People’s Republic of China, except where the content or context requires otherwise
“Company”	Bama Tea Co., Ltd. (八馬茶業股份有限公司), a limited liability company established in the PRC on July 28, 1997 and converted into a joint stock limited liability company on September 10, 2014
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Dike Catering”	Shenzhen Dike Catering Management Co., Ltd. (深圳滴可餐飲管理有限公司), a limited liability company established under the laws of the PRC on July 13, 2017, and a non-wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Domestic Unlisted Share(s)”	ordinary Shares in the share capital of the Company with a nominal value of RMB1.00 each
“Fujian Bama”	Fujian Bama Tea Co., Ltd. (福建八馬茶業有限公司), a limited liability company established under the laws of the PRC on September 8, 2010, and a wholly-owned subsidiary of our Company

## DEFINITIONS

“Global Offering”	the Hong Kong Public Offering (as defined in the Prospectus) and the International Offering (as defined in the Prospectus)
“Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time
“Guangxi Jiuyun”	Guangxi Jiuyun Tea Industry Co., Ltd. (廣西九雲茶業有限公司)
“H Share(s)”	overseas-listed, foreign-invested, ordinary Shares with a nominal value of RMB1.00 each in the share capital of the Company
“HK\$”, “Hong Kong dollars” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“IAS”	International Accounting Standards
“IFRS”	IFRS Accounting Standards issued by the International Accounting Standards Board
“Jiangxi Youyuan”	Jiangxi Youyuan Industrial Co., Ltd. (江西優源實業有限公司)
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	October 28, 2025, being the listing date of the H Shares on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“PRC GAAP”	generally accepted accounting principles of PRC
“Prospectus”	the prospectus of the Company dated October 20, 2025
“Quanzhou Bama”	Quanzhou Bama Tea Co., Ltd. (泉州八馬茶業有限公司), a limited liability company established under the laws of the PRC on July 5, 2016, and a wholly-owned subsidiary of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period” or “Year”	for the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC

## DEFINITIONS

“Share(s)”	ordinary share(s) with nominal value of RMB1.00 each in the share capital of the Company, comprising the Domestic Unlisted Shares and the H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Xin Bama”	Tianjin Xin Bama Tea Co., Ltd. (天津鑫八馬茶業有限公司), a limited liability company established under the laws of the PRC on September 13, 2022, and a wholly-owned subsidiary of the Company
“US\$” or “U.S. dollar”	United States dollars, the lawful currency of the United States
“Mr. Wu Qingtuan and subordinated enterprises controlled by him”	Mr. Wu Qingtuan and his controlled companies, including, but not limited to, Shenzhen Yintai Tea Industry Co., Ltd (深圳市銀泰茶業有限公司)*, Shenzhen Yunxiang Tea Industry Co., Ltd (深圳市雲祥茶業有限公司)* and Guangzhou Xiangtai Tea Industry Co., Ltd (廣州市祥泰茶業有限公司)*. Wu Qingtuan holds 51% equity interest in each of Shenzhen Yintai Tea Industry Co., Ltd (深圳市銀泰茶業有限公司)*, Shenzhen Yunxiang Tea Industry Co., Ltd (深圳市雲祥茶業有限公司)* and Guangzhou Xiangtai Tea Industry Co., Ltd (廣州市祥泰茶業有限公司)*
“%”	per cent

