東鵬飲料

Eastroc Beverage (Group) Co., Ltd.
東鵬飲料（集團）股份有限公司

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

Stock Code : 09980.HK

2025
ANNUAL REPORT

CONTENTS

IMPORTANT NOTICE

The Company's Board of Directors, Directors and senior management hereby guarantee that the contents of this annual report (the "**Report**") are true, accurate and complete, and that there are no misrepresentations, misleading statements or material omissions contained herein, and shall assume individual and joint legal liabilities.

The financial statements contained herein have been prepared in accordance with the International Financial Reporting Standards and audited by Deloitte Touche Tohmatsu, which has expressed a standard unqualified opinion thereon.

This Report has been considered and approved at the 23rd meeting of the third session of the Board of Directors of the Company (the "**Board Meeting**") with all Directors present and voting in favour.

Forward-looking statements contained in this Report such as future plans and development strategies do not constitute any substantive undertaking made by the Company to investors. Investors are advised to invest rationally and to take into account possible investment risks.

Investors are advised to pay attention to the major risks currently faced by the Group and the countermeasures, the details of which are set out in the "Risk Management and Internal Controls" of the "Corporate Governance Report."

The profit distribution proposal or the proposal for capitalisation of capital reserves for the Reporting Period as approved by the Board of Directors is as follows: based on the total share capital of the Company as at the record date for the implementation of the 2025 annual profit distribution plan, the Company proposes to distribute a final cash dividend of RMB25 per 10 Shares (inclusive of tax) and 3 Shares per 10 Shares through capitalization of its capital reserve to all Shareholders (without any issue of bonus shares). This proposal remains subject to consideration and approval at the 2025 AGM of the Company.

This Report is prepared in both Chinese and English versions. If there is any ambiguity in understanding the Financial Report, the English version shall prevail. If there is any ambiguity in understanding of other contents other than the Financial Report, the Chinese version shall prevail.

BOARD OF DIRECTORS

Executive Directors

Mr. LIN Muqin (林木勤)
Mr. LIN Mugang (林木港)
Mr. LU Yifu (盧義富)
Ms. JIANG Weiwei (蔣薇薇)
Mr. ZHANG Lei (張磊)
Mr. LIN Daiji (林戴吉)

Independent Non-executive Directors

Ms. ZHAO Yali (趙亞利)
Ms. YOU Xiao (游曉)
Mr. LI Hongbin (李洪斌)
Mr. TAI Kwok Leung, Alexander (戴國良)

Audit Committee

Mr. TAI Kwok Leung, Alexander (戴國良) *(Chairman)*
Ms. ZHAO Yali (趙亞利)
Mr. LI Hongbin (李洪斌)

Nomination Committee

Ms. YOU Xiao (游曉) *(Chairlady)*
Mr. LIN Muqin (林木勤)
Ms. ZHAO Yali (趙亞利)

Remuneration and Appraisal Committee

Ms. YOU Xiao (游曉) *(Chairlady)*
Mr. LIN Muqin (林木勤)
Mr. LI Hongbin (李洪斌)

Strategy and ESG Committee

Mr. LIN Muqin (林木勤) *(Chairman)*
Mr. LIN Mugang (林木港)
Mr. LU Yifu (盧義富)
Ms. JIANG Weiwei (蔣薇薇)
Ms. ZHAO Yali (趙亞利)

H SHARE REGISTRAR

Computershare Hong Kong Investor Services

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Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

LEGAL ADVISERS

As to Hong Kong laws:
Herbert Smith Freehills Kramer
23rd Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

As to PRC laws:
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12/F, Tower B
Focus Place
No. 19 Finance Street
Beijing
PRC

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants and
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISER

Somerley Capital Limited
20/F China Building
29 Queen's Road Central
Central
Hong Kong

Corporate Information

REGISTERED ADDRESS IN THE PRC

1/F, Building 3
Zhongguan Honghualing Industry Western District
142 Zhuguang North Road
Taoyuan Community
Nanshan District
Shenzhen
Guangdong Province
PRC

JOINT COMPANY SECRETARIES

Mr. ZHANG Lei (張磊)
Ms. LIN Sio Ngo (練少娥) *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. LIN Muqin (林木勤)
Mr. ZHANG Lei (張磊)

PRINCIPAL PLACE OF BUSINESS IN THE PRC

1/F, Building 3
88 Mingliang Science Park
142 Zhuguang North Road
Taoyuan Community
Nanshan District
Shenzhen
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
248 Queen's Road East
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Hong Kong

STOCK CODE

09980.HK
605499.SH

COMPANY'S WEBSITE

https://www.szeastroc.com/

Financial Summary

A summary of the Group's results, assets and liabilities for the past four financial years is set out below. The summary does not form a part of the audited consolidated financial statements.

	Year ended December 31			
	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**20,866,019**	15,830,336	11,257,135	8,500,023
Cost of sales	**(11,657,729)**	(8,847,018)	(6,496,363)	(4,968,070)
Gross profit	**9,208,290**	6,983,318	4,760,772	3,531,953
Distribution and selling expenses	**(3,404,838)**	(2,681,080)	(1,955,671)	(1,449,276)
Administrative expenses	**(632,514)**	(485,221)	(405,521)	(289,962)
Research and development expenses	**(66,338)**	(62,671)	(54,391)	(43,755)
Profit before tax	**5,584,357**	4,107,313	2,579,270	1,836,010
Income tax expense	**(1,170,339)**	(780,883)	(539,498)	(395,489)
Profit for the year	**4,414,018**	3,326,430	2,039,772	1,440,521
Profit for the year attributable to owners of the Company	**4,415,263**	3,326,710	2,039,772	1,440,521
Basic earnings per share *(RMB)*	**8.4907**	6.3974	3.9225	2.7702

	Year ended December 31			
	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Net cash from operating activities	**6,174,243**	5,789,408	3,281,270	2,026,106

	As at December 31			
	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	**11,333,256**	9,970,672	5,941,488	4,623,766
Total current assets	**15,387,480**	12,705,625	8,768,562	7,246,192
Total assets	**26,720,736**	22,676,297	14,710,050	11,869,958
Total non-current liabilities	**486,876**	139,674	338,952	99,658
Total current liabilities	**16,810,062**	14,845,042	8,047,341	6,705,700
Total liabilities	**17,296,938**	14,984,716	8,386,293	6,805,358
Equity attributable to owners of the Company	**9,420,959**	7,687,804	6,323,757	5,064,600
Net assets	**9,423,798**	7,691,581	6,323,757	5,064,600

Chairman's Statement

COMMITTED TO STEADY GROWTH, CREATING A CHINESE CONSUMER BRAND WITH GLOBAL REACH

Dear Shareholders and Friends of Eastroc,

On February 3, 2026, Eastroc Beverage was successfully listed on the Main Board of the Stock Exchange, officially embarking on a new development paradigm as an A+H dual-listed company and advancing towards global expansion. We sincerely thank all investors for your trust and support, which have injected strong capital power into the Eastern Roc's global ascent. I hereby extend my most heartfelt gratitude to every Shareholder and Friend of Eastroc who has trusted, supported, and accompanied us!

Standing at this new starting point for the Group, I will, as always, walk side by side with all Shareholders, our 13,000+ employees, and our many business partners, adhering to our unrelenting spirit of "always being on the entrepreneurial journey," maintaining humility and pragmatism, continuing to cultivate deeply within the beverage industry, and relentlessly striving for the steady development and global leap of the Company.

In 2025, amid the turbulence of global political and economic dynamics, competition in the beverage industry was unprecedentedly fierce, instant retail business grew rapidly, and online-offline integration flourished. Consumers' demand for convenience, healthy, and functional products kept increasing. On the eve of profound inflection in the beverage industry, feeling the powerful echoes of artificial intelligence reshaping the sector, we are clearly aware that:

The industry's structure will iterate and evolve, but the essence of development remains unchanged: to create products that consumers find trustworthy, easy to buy, and like to drink.

In times of change, it is more important than ever to remain clear-minded, resolute, and optimistic.

In 2025, the Company firmly advanced its "1+6" multi-category development strategy, achieving record operating results. For the year, we realized operating revenue of RMB20.866 billion, representing a year-on-year increase of 31.8%, and net profit attributable to owners of the Company of RMB4.415 billion, which was up 32.7% year-on-year. The Company's total measurable retail sales volume exceeded 10 billion bottles, successfully achieving the targets set at the beginning of the year. Meanwhile, Eastroc Beverage ranked among the top ten global soft drink brands by value and placed 44th in Kantar's 2025 Most Valuable Chinese Brands list.

Our core product, *Eastroc Super Drink* (東鵬特飲), topped sales in China's energy beverage industry, becoming the undisputed number one energy beverage brand in the country. Our sports beverage *Eastroc Water Boost* (補水啦) achieved annual revenue of RMB3.274 billion, successfully entering the ranks of three billion-level major products. At the same time, products such as *Tea of Fruits* (果之茶) and *Coffee Master* (東鵬大咖) also performed strongly, with sales both exceeding RMB500 million. **The share of revenue from beverage products other than Eastroc Super Drink rose from 15.9% in 2024 to 25.2% in 2025.** The "1+6" multi-category strategy achieved its initial success, and Eastroc Beverage has entered the ranks of China's comprehensive beverage enterprises.

In recent years, Eastroc Beverage's rapid development has benefited from the growing strength of our country, the rising national confidence of a new generation of consumers, and their high recognition of domestic brands. China's massive consumer market of over 1.4 billion people and their increasing demand for a better life provide fertile ground for the Company's sustained and healthy development.

The beverage industry is highly competitive, while the business model is rather simple, it is not as simple to perform well. In today's era of abundant material supply, competition in the beverage industry has evolved beyond a single product dimension. It now encompasses consumer insights, product innovation, channel networks, capacity layout, brand building, and organizational capabilities — a comprehensive competition of overall strength. To achieve results in this industry, we must work harder than others. **We are not smarter than anyone; we can only ask for ourselves to be more diligent and focused, striving to perfect the simple things.**

I have worked in the beverage industry for over 30 years and am a veteran in this field. Since starting the business in 2003, **my team and I have always focused on creating beverages that consumers truly love, making it more convenient for them to purchase our products.** Firmly advancing our multi-category strategy is our determined response to the trends of the times and consumer demand — **today's consumers not only need energy supplements like *Eastroc Super Drink (東鵬特飲)*, but also seek diverse choices that fit more lifestyle scenarios.**

On the product front, we always put consumer needs first, closely following the trends of health, functionality, and diversity to continuously provide consumers with more high-value healthy functional beverages.

On the channel front, we have achieved 100% coverage in all prefecture-level cities nationwide, boasting over 3,400 distributors and more than 4.5 million active POS, constructing an efficient, deeply-penetrated national channel network.

On the capacity front, we have deployed 14 production bases across the country, which not only ensures stable supply but also optimises logistics costs, consistently enhancing our competitive advantage in regional markets.

Upholding the philosophy of "there is no reason not to grow," after more than 20 years of development, Eastroc Beverage has forged a young team that is hardworking, able to tackle tough challenges, stays awake to fight, and pursues growth relentlessly. This is our bedrock of confidence as we face the future.

For Eastroc Beverage to progress steadily and go further, we must safeguard the trust and interests of every Shareholder partner. We always adhere to our corporate mission of "**providing consumers with healthy functional beverages, creating a career platform for employees, and generating reasonable returns for shareholders.**" We maintain a continuous and stable dividend policy. Since our A Shares listing, the Company has cumulatively distributed dividends exceeding RMB6.6 billion. For 2025, the Company proposes to pay a final cash dividend of RMB25.00 (tax inclusive) per 10 Shares to all Shareholders, and to convert and issue 3 Shares per 10 Shares from capital reserves to all Shareholders (without any issue of bonus shares), with an estimated total cash dividend distribution amount of RMB1,411,921,750.0 upon preliminary estimates on the basis of the Company's total issued Shares as of the date of this Report, returning real value to every investor.

2026 marks the inaugural year of Eastroc Beverage's dual listing on the A-share and Hong Kong stock markets, and is also a critical year for advancing brand globalisation and international business deployment. We are currently in the golden era of the rise of domestic brands; creating a globally popular Chinese consumer brand is not only a historic opportunity for China's fast-moving consumer enterprises but also a mission and responsibility we must shoulder.

Chairman's Statement

Standing at this new starting point, we will continue to deepen our "1+6" multi-category product portfolio, leverage our funds raised from the Hong Kong stock market to expand overseas business, with a focus on the Southeast Asian market, promoting the globalisation of our brand, bringing Chinese energy to the world, and providing Chinese energy to consumers around the world!

We will always stay clear-headed: in the future, industry competition will become ever more intense, consumer demand will continue to evolve, overseas expansion will see challenges including cultural differences and changes in policy environments, and fluctuations in raw material prices may also impact operational efficiency. Having cultivated in the industry for over thirty years, we have experienced numerous industry cycles and market changes, and deeply understand that only by facing challenges head-on, focusing on the long-term, and diligently honing our internal strengths can we achieve steady and sustainable progress.

We will closely follow industry trends and consumer needs, optimise our product portfolio, and continuously strengthen our core competitiveness; promote localization in overseas markets, deeply understand local consumer habits and policy environments, reduce expansion risks; improve supply chain management and cost control systems, smooth out the impact of raw material price fluctuations, and ensure the long-term, stable development of the Company. Opening up the overseas market may not be easy, but we have firm confidence and ample patience, as well as relatively sufficient capital reserves, to cultivate new markets.

Once again, I would like to express my heartfelt thanks for the long-standing care and support from all sectors of society for Eastroc Beverage, for the trust and companionship of all Shareholders and partners, and for the hard work and dedication of every Eastroc employee.

In 2026, Eastroc Beverage will continuously enhance its governance structure, build a corporate governance system that is more transparent, efficient and compliant, and advance with a clearer strategy, more pragmatic action and steadier growth, joining hands with our Shareholders, employees and partners to create enduring value — and to propel the Eastern Roc onto the global stage!

Mr. LIN Muqin
Chairman and chief executive officer
Eastroc Beverage (Group) Co., Ltd.

March 2026

OVERVIEW

We are the largest functional beverage company in China, with the fastest revenue growth among the world's top 20 listed soft beverage companies and have been the largest functional beverage company in China in terms of sales volume since 2021. Our brand slogan "Worn out? Time for Eastroc!" has gained strong consumer recognition, making *Eastroc Super Drink* (東鵬特飲) a widely recognized brand associated with consumption scenarios of energy replenishment. While strengthening our leadership in the functional beverage industry, we continuously innovate and upgrade our products, expanding into a diverse range of categories to lay a solid foundation for long-term growth.

In 2025, the Company continued to optimize its product mix and customer mix, actively strengthened efforts to expand traditional distribution channels nationwide, and further improved overall product penetration and breadth of coverage. At the same time, the Company proactively developed a multi-category product portfolio to meet the needs of different usage scenarios and consumer groups, continuously launching products to address differentiated demands and broaden its consumer base. Through multi-dimensional online and offline promotional efforts, the Company continued to earn consumer trust and repeat purchases. In 2025, we delivered strong revenue growth, solid profitability, and robust cash flow. Our revenue grew from RMB15,830.3 million in 2024 to RMB20,866.0 million in 2025, representing an increase of approximately 31.8% year-on-year and surpassing the RMB20 billion threshold for the first time. Net profit attributable to the owners of the Company increased from RMB3,326.7 million in 2024 to RMB4,415.3 million in 2025, representing an increase of approximately 32.7% year-on-year, with the Group's growth rate ranking at the forefront among leading global soft beverage enterprises.

Alongside this rapid growth, we leverage our industry-leading advanced manufacturing capabilities, collaborative supply chain planning, optimized channel distribution, and digital empowerment to effectively enhance our operational efficiency and profitability, achieving all-in-cost advantage. Our "1+6" multi-category strategy delivered remarkable results, with *Eastroc Super Drink* achieving the number one position in both sales volume and sales value in 2025 according to NielsenIQ data, while *Eastroc Water Boost* (東鵬補水啦) recorded revenue growth of approximately 119.0% year-on-year, successfully establishing the Group's second growth curve. Revenue from other beverage categories grew approximately 94.1% year-on-year, demonstrating the Group's strategic upgrade from a single-category leader to a comprehensive beverage group.

We continued to expand our nationwide distribution network, with over 4.5 million active POS, and advanced our internationalization strategy with products entering 32 countries and regions. Our multi-dimensional brand building initiatives, spanning sports sponsorships, esports partnerships and targeted endorsement campaigns, improve consumer brand recognition across our portfolio. On the supply chain front, 10 of our 14 planned production bases have commenced operations, supporting our all-in-cost advantage through scale-driven procurement, production automation and logistics optimization. Our proprietary digital infrastructure, including the five-code integration system and collaborative supply chain planning platform, continued to drive precision in channel governance, marketing execution and operational decision-making. We further strengthened our innovation capabilities through industry-academia research collaborations and new product launches, while reinforcing organizational foundations through talent development and the cultivation of our growth-oriented corporate culture of "Simplicity, Integrity, Collaboration, and Perseverance."

In 2025, our "1+6" multi-category strategy delivered remarkable results. Energy beverages contributed revenue of RMB15,599.0 million, representing an increase of approximately 17.3% year-on-year; sports beverages, primarily *Eastroc Water Boost*, contributed revenue of RMB3,273.9 million, representing an increase of approximately 119.0% year-on-year; and other beverage products contributed revenue of RMB1,985.8 million, representing an increase of approximately 94.1% year-on-year. Revenue from regions outside South China accounted for approximately 70.2% of principal business revenue, an increase from the corresponding period in 2024.

Management Discussion and Analysis

In February 2026, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited, becoming the first A+H listed functional beverage enterprise in the PRC. Looking forward, the Company will continue to advance its "1+6" multi-category strategy to accelerate its expansion in its multi-category product lines while strengthening the foundation of our *Eastroc Super Drink*, driving our strategic upgrade from a single-category leader to a comprehensive beverage group.

INDUSTRY REVIEW AND DEVELOPMENT TRENDS

Overview of China's Beverage Industry

China's beverage industry is a fully competitive market closely intertwined with daily consumer life. According to the National Bureau of Statistics, the PRC's gross domestic product for 2025 reached approximately RMB140,187.9 billion on a preliminary basis, representing a year-on-year increase of 5.0%, with the economy operating in a stable and progressive manner. Total retail sales of consumer goods for the year amounted to approximately RMB50,120.2 billion, representing a year-on-year increase of 3.7%, with the PRC's consumer market ranking second globally in scale. Domestic demand contributed 67.3% to economic growth, of which final consumption expenditure accounted for 52.0%, representing an increase of 5 percentage points over the prior year. Total online retail sales of physical goods for the year reached approximately RMB13,092.3 billion, representing a year-on-year increase of 5.2% and accounting for 26.1% of total retail sales of consumer goods, reflecting increasingly diversified consumer purchasing channels.

At the industry level, based on data released by the Bureau of Statistics, total retail sales of the beverage category in 2025 reached approximately RMB329.5 billion, representing a year-on-year increase of approximately 1%. While traditional beverage categories maintained steady growth, emerging beverage segments demonstrated vigorous momentum, with health orientation, functional enhancement and personalization becoming the defining themes of industry development. Current days' consumer demand for healthy, natural, low-sugar and low-calorie beverages continued to intensify, driving continuous product innovation. In addition to sugar-free tea, functional beverages fortified with nutritional ingredients such as probiotics and dietary fiber, as well as segmented products positioned as "zero additives" and "low-calorie/low-burden," have continued to gain market share, becoming a solid driving force behind market growth. Meanwhile, demand for functional sub-categories such as energy beverages, sports beverages and coffee remained robust. Consumers are no longer satisfied with singular functions such as basic energy replenishment or hydration, but increasingly seek products precisely tailored to specific consumption occasions. Whether for post-exercise recovery, enhanced focus and mental performance during work or study, or daily wellness supplementation, consumer expectations for scientifically formulated and precisely functional products have become increasingly pronounced, driving the functional beverage segment from basic thirst-quenching and fatigue-relieving towards functional sophistication, health orientation, scenario diversification, and personalization, establishing itself as an important growth engine of the beverage industry.

According to NielsenIQ data, from January to December 2025, sales volume in the energy beverage segment in which one of the Company's core products, *Eastroc Super Drink*, competes continued to grow, demonstrating solid growth momentum. Public awareness and acceptance of energy beverages have increased significantly, and consumption patterns are shifting from occasion-based consumption to everyday habitual consumption. The segment in which *Eastroc Water Boost* competes recorded year-on-year sales value growth of 11.5% and sales volume growth of 14.8%. As the pace of work and life accelerates, conditions such as fatigue and drowsiness have become increasingly common. At the same time, younger consumers in the PRC are placing greater emphasis on functionality and practicality in their purchasing preferences. As a result, the functional beverage consumer base in the PRC has expanded further on top of an already large and stable foundation, providing a solid basis for continued category growth.

Competitive Landscape

The competitive landscape of the PRC beverage industry continued to evolve in 2025, with market concentration steadily increasing with competitive advantages of market leaders within the beverage industry continuing to stand out. Resources across the industry are further consolidating toward enterprises with scale advantages, supply chain efficiency and omni-channel reach. Leading enterprises continue to strengthen their industry positions through established brand recognition, mature consumer awareness and extensive terminal coverage. The industry as a whole has demonstrated a trend toward greater consolidation and more standardized development.

Within the functional beverage segment, the consumer base remains relatively stable and demand stays relatively resilient. Consumers have developed well-established perceptions regarding product flavor, functional attributes and consumption occasions, which has shaped the PRC functional beverage market with distinctive development characteristics in terms of consumption habits, consumer demographics and market positioning that differ from those of mature overseas markets. During the Reporting Period, sub-categories such as sports beverages and sports beverages experienced rapid volume expansion, driven by growing health awareness and the diversification of consumption scenario, and became important growth poles for the industry. The consumption boundaries of functional beverages continued to broaden, extending from traditional use cases such as physical replenishment and concentration enhancement to a wider range of scenarios including sports and fitness, outdoor activities, daily commuting, studying and exam preparation and social gatherings, with both the consumer base and consumption frequency steadily increasing.

The boundaries of functional beverage consumption continue to expand, evolving from traditional uses such as physical replenishment and boosting alertness to diverse scenarios including sports and fitness, outdoor recreation, daily work, studying and exam preparation, and social gatherings. As consumers' pace of life accelerates and health awareness increases, demand for functional beverages remains robust, with both the consumer base and consumption frequency steadily increasing. At the same time, as consumer spending patterns become more rational, with consumers placing greater emphasis on practical utility, value for money and consistency in quality when making purchasing decisions. Larger-pack formats and products with strong value-for-money propositions are better aligned with household consumption and high-frequency consumption needs.

Channel structures have exhibited increasingly diversified and fragmented characteristics, with traditional distribution and supermarket channels developing in parallel with online e-commerce, on-demand retail and emerging offline specialty channels. Channel efficiency and terminal reach have become key competitive differentiators for enterprises. The application of digital tools in consumer insights, channel management and marketing promotion has continued to deepen, driving more precise and efficient operations. As the comprehensive capabilities of PRC beverage enterprises improve, overall industry competitiveness has strengthened, laying a foundation for long-term healthy development.

From the perspective of the competitive landscape, leading enterprises have continued to promote all-category expansion and strategic transformation. Leveraging brand momentum, channel networks and supply chain scale advantages, they have expanded from core categories into packaged water, sugar-free tea, functional beverages, electrolyte water, coffee and plant-based beverages, among others, to build diversified product portfolios that cover a broader range of consumption occasions. This approach helps to effectively diversify single-category operating risks. At the same time, through deeper channel penetration and full-scope omni-channel operations, capacity scale-up and supply chain optimization, leading enterprises have achieved cost reductions and efficiency gains, further consolidating their market-leading positions.

Emerging brands, by contrast, have focused on niche tracks to achieve differentiated breakthroughs. They create product recall points through raw material innovation, functional upgrades and taste iteration, precisely matching demand for healthier choices, personalization and emotion-driven consumption. At the same time, they have scaled rapidly by leveraging online content platforms and livestream e-commerce, and by using scenario-based seeding, IP collaborations and youth-oriented marketing to reach core consumer groups, thereby forming distinctive competitive advantages in specific segments.

At the policy level, the PRC introduced a series of measures in 2025, including the "Special Action Plan to Boost Consumption" (《提振消費專項行動方案》), which aim to remove key bottlenecks constraining consumption by enhancing consumption capacity, expanding effective demand and optimising the consumption environment, thereby providing strong support for continued industry expansion and structural upgrading.

Against this backdrop, domestic brands have gradually caught up with and surpassed international brands, leveraging their deep understanding of local consumer needs, the "Guochao (國潮)" tailwinds driven by cultural confidence and stronger value-for-money propositions, with overall competitiveness improving significantly. At the same time, supported by mature omni-channel capabilities, digitalized operations and supply chain management experience in the PRC, together with global health-oriented trends and rising cultural influence, domestic brands have accelerated global expansion, upgrading from product exports to deeper localization and market cultivation overseas, with increasing confidence and capability in going global.

Overall, the current multi-layered and multidimensional beverage industry landscape is being shaped by the combined forces of leading players driving the market, differentiated breakthroughs in sub-segments, the rise of domestic brands and accelerating globalization, which together are propelling the industry to evolve from scale-driven expansion toward higher-quality development.

Key Development Trends

Health and functional convergence driving category segmentation

In 2025, consumer health awareness continued to strengthen, with beverage demand evolving beyond basic hydration toward more professional and targeted functional value. Against this backdrop, product attributes such as "zero calorie", "natural ingredients" and "demonstrable efficacy" have become baseline consumer expectations, promoting deeper convergence between health and functionality. Sub-segments such as energy beverages, sports beverages and sports beverages achieved rapid growth, with product value propositions extending from singular energy replenishment toward precision nutritional supplementation and physical wellness support. Consumption scenarios have broadened from traditional overtime and physical labor contexts to encompass sports and fitness, outdoor activities, daily commuting and social gatherings, with day-to-day consumption scenarios expanding, habitual consumption characteristics of functional beverages becoming increasingly evident, and industry product categories continuing to fragment into finer sub-segments.

Consumer rationalization elevating value-for-money as an entry barrier

Consumer spending behavior has become increasingly pragmatic, with greater emphasis on the balance between product quality and pricing. Products offering high value-for-money, practical functionality and strong repurchase attributes have gained broader market recognition, while demand for large-format, family-sized and value-pack packaging has grown, reflecting need-based purchasing patterns. Competition has shifted from price-led approaches toward comprehensive differentiation across product quality, cost management and operational efficiency, with enterprises leveraging scale effects, supply chain optimization and enhancing value-for-money through refined management to increase product competitiveness.

Rising industry concentration and rapid rising of domestic brands

Amid intensifying market competition, leading enterprises with comprehensive strengths in brand, scale, supply chain, channel and R&D capabilities have continued to enhance their competitiveness, with market share further concentrating among top players. The industry as a whole is shifting from extensive, volume-driven expansion toward high-quality development, and product innovation capabilities, supply chain operating efficiency, brand influence and refined operational management have become the key factors shaping companies' competitive positions. Meanwhile, domestic brands, leveraging accumulated consumer insights, are able to adopt more targeted marketing strategies and, supported by strong supply chain capabilities and diversified sales channels, increasingly meet consumers' growing demand for high-quality products with strong value for money. With product design and packaging that better align with the preferences of PRC consumers, domestic brands have continued to strengthen their competitiveness.

Deepening and advancement of omni-channel convergence, and the rise of on-demand retail

The convergence of traditional distribution, modern trade and online channels with emerging formats such as e-commerce, on-demand retail and specialty offline channels accelerated during the Reporting Period. Omni-channel coverage, shortened supply chains and rapid fulfillment have become defining characteristics of industry operations, with the penetration of on-demand retail channels fundamentally reshaping consumer purchasing habits and terminal sales-to-production patterns. Channel structures are becoming increasingly diversified and fragmented, and companies' channel operation capabilities, terminal coverage, and digital fulfilment capabilities have become key to building core competitive advantages.

Digital enablement improving operational efficiency

The accelerating development of big data, artificial intelligence and digital marketing technologies in the PRC during the Reporting Period has driven increasingly broad application across the beverage industry value chain, encompassing demand insight, product development, manufacturing, channel management and brand marketing. Digital tools enable enterprises to capture consumer trends with greater precision, optimize product structures, enhance channel efficiency and manage operating costs, while strengthening brand loyalty and becoming an important driver of industry transformation.

BUSINESS REVIEW

In 2025, the Group continued to operate primarily in the functional beverage segment of the beverage industry, with energy beverages remaining the core driver of its revenue. Benefiting from steady growth in the energy beverage market, continued brand recognition of the Group's flagship products and expanding consumption scenarios, the Group recorded continued growth in both sales volume and revenue. The Group's product portfolio primarily consists of energy beverages, sports beverages and other beverage products, including tea beverages, coffee beverages and fruit-based beverages. Among these categories, energy beverages continued to account for the majority of the Group's total revenue, driven primarily by the sales performance of its flagship product, *Eastroc Super Drink*. The Group's sports beverage products, represented by *Eastroc Water Boost*, contributed increasing revenue following their market launch, while other beverage products, including tea beverages, coffee beverages, plant-based protein beverages and fruit and vegetable juice beverages, represented a smaller but expanding portion of the Group's product portfolio.

Through the steadfast implementation of the "1+6" multi-category strategy, during the Reporting Period, the foundation of the Company's energy beverages remains strong and leads the market, while sports beverages have experienced explosive growth as the Company's second growth curve. Emerging categories such as coffee and tea beverages are rapidly gaining traction, collectively driving the Company's revenue in 2025 to surpass RMB20 billion. This milestone signifies that the Company is no longer only relying on a single product category, and the Company's evolution from a leader in functional beverages to a comprehensive beverage group. The Group recorded a total revenue of RMB20,866.0 million in 2025, representing an increase of 31.8% compared to 2024, of which revenue from energy beverages accounted for 74.8% of the total revenue, while revenue from sports beverage products accounted for 15.7% of the total revenue. Revenue generated from Chinese mainland accounted for 99.9% of our total revenue in 2025, with the remaining revenue mainly derived from Hong Kong and Southeast Asian countries, such as Malaysia and Vietnam.

The following table sets forth a breakdown of the Group's revenue by product category and their respective percentage contribution to total revenue:

	For the year ended December 31,				Amount change over the previous year (%)
	2025		2024		
	RMB	**%**	RMB	%	
	(in thousands, except percentage)				
Sales of Beverage Products					
Energy beverages	**15,598,993**	**74.8**	13,303,585	84.0	17.3
Sports beverages	**3,273,917**	**15.7**	1,495,014	9.4	119.0
Other beverage products[1]	**1,985,793**	**9.5**	1,023,166	6.5	94.1
Others[2]	**7,316**	**0.04**	8,571	0.1	-14.6
Total	**20,866,019**	**100.0**	15,830,336	100.0	31.8

Notes:

(1) Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

(2) Others mainly include sales of packing materials.

Energy Beverages — Eastroc Super Drink — Solid Foundation with Continuously Strengthening Market Leadership

As the Company's flagship product, energy beverage *Eastroc Super Drink* became synonymous with national-level energy beverages thanks to its unique formula, outstanding quality, and deeply ingrained brand slogan "Worn out? Time for Eastroc!", and became the preferred energy beverage for Chinese consumers in energy replenishment scenarios. In 2025, *Eastroc Super Drink* successfully entered the ranks of RMB15 billion sales blockbuster product, with full year sales revenue of RMB15.599 billion. According to NielsenIQ data, the proportion of energy beverage sales volume in the PRC taken up by Eastroc Super Drink has increased from 47.9% in 2024 to 51.6% in 2025, being the top-selling energy beverage in the PRC by sales volume for five consecutive years, with the proportion of energy beverage sales amount in the PRC increasing from 34.9% to 38.3%, and achieved the number one position in both sales volume and sales value, officially crowned as the leader of China's energy beverage market. In 2025, the Company launched its sugar-free energy beverage, precisely targeting the healthy beverage sub-segment and aligning with the broader trend towards health-conscious products. At the same time, the Company also introduced a fortified taurine energy drink that has obtained health food certification, further enriching its energy beverage portfolio and meeting the diverse needs of consumers.

While solidifying its position in the domestic market, the Company is actively implementing a globalization strategy, exploring opportunities in overseas markets. By developing flexible localization strategies, the Company adjusts product formulas and packaging designs to cater to the preferences of consumers in different regions. It has successfully launched localized products in overseas markets such as Malaysia, Vietnam and Indonesia. Looking ahead, the Company plans to further strengthen its business presence in Southeast Asia, leveraging its Hong Kong IPO to inject fresh momentum into the brand's global expansion.

Revenue from energy beverages amounted to RMB15,599.0 million in 2025, representing an increase of 17.3% as compared to 2024 and accounting for 74.8% of the Group's total revenue. Sales volume of energy beverages reached 3,675,681 tons, representing an increase of 19.2% year-on-year. The gross profit margin for energy beverages was 50.0%, an improvement of 2.3 percentage points as compared to 2024, primarily attributable to the decline in raw material prices. To cater to the growing health-conscious trend, the Group's innovative sugar-free product variants have effectively broadened its consumer base and addressed diversified demand.

Sports Beverages — Eastroc Water Boost — Explosive Growth Establishing a New Pillar

The sports beverage *Eastroc Water Boost* became the Group's second growth curve. With its functional claim of "Quick electrolytes, full balance" (快速補充電解質) and by precisely targeting diversified sweating-related scenarios, the product achieved a successful breakout from professional sports to everyday life, exhibiting explosive growth momentum.

In 2025, *Eastroc Water Boost* successfully entered the ranks of products with sales exceeding RMB3 billion. This growth rate far surpasses the industry average, not only firmly securing its position as a category leader, but also reshaping the market landscape for sports beverages by expanding this category from its originally specialized sports scenario to a truly mass-market, everyday and all-population beverage, opening up broader growth opportunities for the entire sector. The Group has built a comprehensive product matrix around this brand, including the launch of sugar-free lychee and sugar-free lemon flavors as its "sugar-free" series in the Reporting Period to meet the growing demand for health-conscious sugar control, and with format coverage including 380ml "Small Water Boost" (portable formats for commuting), 555ml standard format (for day-to-day sports), 1L family sharing format, and 900ml channel-specific format, to achieve full-scenario coverage, flexibly covers all drinking scenarios, from on-the-go hydration to outdoor activities and household stockpiling. By adopting a strategy of "high value for money + strong functional awareness," *Eastroc Water Boost* successfully broke through the traditional limitation of sports beverages being confined to the niche market of professional sports, extending their use to diverse everyday scenarios such as campuses, commuting, and travel — thereby achieving a category breakthrough from a "niche functional beverage" to a "mainstream daily hydration option."

Revenue from the Group's sports beverage products amounted to RMB3,273.9 million during the Reporting Period, representing a significant increase of 119.0% as compared to the corresponding period in 2024, with revenue contribution rising from 9.4% in the corresponding period in 2024 to 15.7%. Sales volume of sports beverages reached 1,466,187 tons, representing an increase of 121.9% year-on-year. The gross profit margin for sports beverages was 34.0%, an improvement of 4.8 percentage points as compared to 2024, primarily attributable to the realization of scale benefits and continuous production cost optimization.

"1+6" Multi-Category Products: Synergistic Advancement Contributing New Growth Momentum

In addition to the energy beverages and sports beverages, the Group's other product categories, leveraging its extensive channel network and precise market positioning, delivered synergistic development and contributed significant growth momentum. Revenue from other beverage products amounted to RMB1,985.8 million during the Reporting Period, representing an increase of 94.1% as compared to the corresponding period in 2024 and accounting for 9.5% of the Group's total revenue, amongst which the sales revenue of both *Tea of Fruits* and *Coffee Master* exceeded RMB500 million in 2025. The gross profit margin for other beverages was 14.7%, representing a drop in 7.0 percentage points as compared to 2024.

Tea beverages: The *Tea of Fruits* series launched in February 2025, which strikes a balance between fruity and tea aromas, offering a refreshing and smooth taste, and was positioned with a compelling value-for-money strategy, leveraged the Group's network of over 4.5 million active POS to achieve rapid market penetration. The product demonstrated outstanding market performance following its launch, opening new growth opportunities for the Group in the ready-to-drink tea segment. Meanwhile, the Company has continued to expand its "*Quench & Nourish*" series by introducing a variety of new flavors, further solidifying its position in the value-for-money tea beverage market. On the other hand, in response to the health-conscious consumption trend, the Company has proactively entered the sugar-free tea market. During the Reporting Period, the Company launched the 750ml large-pack "*Shangcha Superior Tea*" series, focusing on high value for money to meet the needs of families and long-duration drinking scenarios. In addition, in December 2025, the Company introduced a new tea product, "*Baked Good Tea*," further enriching its portfolio of tea beverage offerings. In addition, the Company accurately responded to consumers' multifaceted pursuit of "health needs + affordable pricing + flavor quality" in ready-to-drink milk tea beverages, and launched a low-sugar product, *Hong Kong-style Milk Tea* in September 2025. Such product features "real tea extraction + high-quality dairy source," retaining the core process of ready-to-drink milk tea while reducing sugar content. It preserves the traditional milk tea characteristics of "rich tea flavor and smooth, lingering sweetness," while better aligning with the trend toward healthy beverage consumption.

Coffee beverages: During the Reporting Period, *Coffee Master* achieved a historic leap from being a market follower to becoming a leading competitor, emerging as a star product successfully incubated under the Company's "1+6" multi-category strategy. According to NielsenIQ data, the market share of *Coffee Master* has risen to amongst the top three in China's ready-to-drink coffee market, demonstrating strong growth momentum; the coconut latte flavor of *Coffee Master* commands over 80% share within the bottled coconut latte sub-segment, achieving a dominant lead. In 2025, *Coffee Master* became the second-largest brand in five provinces, namely Guangxi, Henan, Guangdong, Guizhou and Sichuan. Through clear product positioning, a high value-for-money strategy, robust brand marketing and strong channel empowerment, *Coffee Master* successfully achieved a breakthrough in the ready-to-drink coffee market previously dominated by international brands, opening up a brand-new and important growth curve for the Company. In April 2025, the Company officially announced renowned national singer Ms. Han Hong as the first brand ambassador for *Coffee Master*. Large-scale brand promotions were carried out in landmark media and major elevator media across first-and second-tier cities nationwide, greatly enhancing the brand's awareness and reputation. This collaboration was based on a longstanding philanthropic partnership between both parties, achieving a positive interaction between business and public welfare.

Plant-based protein beverages: During the Reporting Period, the Company continued to target the significant market potential of the food service consumption sector. By engaging in deep collaboration with several well-known restaurant brands and leveraging the high value-for-money and healthy and natural characteristics of our products, the Company gained popularity among consumers of all age groups. At the same time, the Company actively promoted *Coco Island Coconut Milk* gift packs for holidays and gifting occasions, precisely tapping into various celebratory scenarios such as wedding banquets, annual dinners, and family and friends gatherings, thereby effectively increasing brand exposure. Co*co Island Coconut Milk* continued to steadily develop the food service, festive gifting and ready-to-drink markets, with the appointment of brand ambassador, Ms. Yan Ni, reinforcing the "celebration and joy" brand recognition, laying a solid foundation for the Group's positioning in the plant-based protein segment.

Fruit and vegetable juice beverages: Focusing on natural, nutritious, healthy and convenient principles, the Company continuously advanced in innovation and upgrading of its fruit and vegetable juice beverage products. During the Reporting Period, the Company launched new products, such as winter melon honey and bottled oil-camellia juice beverages, enriching its product lineup through flavor expansion and packaging innovation. Meanwhile, the Company continues to nurture popular specialty products including freshly squeezed oil-camellia juice (refrigerated) and room-temperature oil-camellia juice, which are well-liked by consumers. By preserving the original flavor and nutritional value of fruit and vegetable ingredients, the Company continues to strengthen its research in advanced processing and preservation technologies, offering a wider variety of products to meet consumers' diverse nutritional and flavor needs.

Regional Performance

South China, the Group's home market, contributed total revenue of RMB6,215.3 million, representing an increase of 18.1% year-on-year, with the highest gross profit margin of 47.4% among all regions and accounting for 29.8% of total revenue. The Group continued to implement its omni-channel refinement strategy, adopting the channel cultivation model in mature markets and the broad distribution model in emerging markets, focusing resources on weaker areas to lessen the developmental differential among regions.

Revenue from regions outside South China collectively amounted to RMB14,650.7 million, representing an increase of 38.6% year-on-year and accounting for 70.2% of total revenue, an increase from the corresponding period in 2024, underscoring the Group's successful execution of its nationwide expansion strategy. North China and West China recorded the fastest revenue growth at 67.9% and 40.8% respectively, primarily driven by the two regions' continuous efforts in strengthening operational foundations, refining distributor systems, expanding POS coverage, enhancing product placement and shelf space and capturing new consumption opportunities. The following table sets forth a breakdown of the Group's revenue by geography and their respective percentage contribution to total revenue:

	For the year ended December 31, 2025			
Region	**Revenue**	**%**	**Change over the previous year (%)**	**Gross Profit Margin (%)**
	(in thousands, except percentage)			
South China	**6,215,298**	**29.8**	**18.1**	**47.4**
Central China	**4,606,539**	**22.1**	**27.9**	**44.3**
East China	**3,365,366**	**16.1**	**33.6**	**43.5**
West China	**3,199,118**	**15.3**	**40.8**	**41.0**
North China	**2,732,837**	**13.1**	**67.9**	**40.8**
Others(1)	**746,861**	**3.6**	**36.5**	**44.1**
Total	**20,866,019**	**100.0**	**31.8**	**44.1**

Note:

(1) Others primarily include sales through online sales, overseas sales and restaurant channels.

Distribution Channels

The Company has established a channel operation system centered on deep synergy and comprehensive control, continuously optimizing its sales model, advancing its omni-channel strategy, and steadily expanding nationwide. In mature regional markets, the Company implements a refined management approach by working closely with distributors through its professional teams, strengthening terminal displays and network coverage, and continuously improving channel penetration and single-point output. In emerging regions, the Company adopts a large-scale distribution model, partnering with local distributors that have strong networks and service capabilities to rapidly develop the market. For key terminals such as gas stations, highway service areas and supermarkets, the Company uses a direct operation model to conduct precise management and operations.

The following table sets forth a breakdown of the Group's revenue by distribution channel and their respective percentage contribution to total revenue:

	For the year ended December 31, 2025			
Distribution channel	**Revenue**	**%**	**Change over the previous year (%)**	**Gross Profit Margin (%)**
	(in thousands, except percentage)			
Distribution partners	**17,868,213**	**85.6**	**31.3**	**43.3**
Direct sales to key account customers	**2,363,351**	**11.3**	**35.5**	**49.3**
Online sales	**624,665**	**3.0**	**40.2**	**49.3**
Other channels [(1)]	**9,790**	**0.0005**	**-71.9**	**54.2**
Total	**20,866,019**	**100.0**	**31.8**	**44.1**

Note:

(1) Other channels refer to revenue derived from the production of contract-manufactured beverage products, mainly tea beverages and juice beverages, on behalf of a customer

The Company has established a comprehensive distributor management system, which uses systematic rules and agreements to fully regulate distributor admission, assessments, operational support and sales discipline. The Company places emphasis on regional deployment and refined services for distributors, implementing strict inventory and order management to ensure the healthy and sustainable development of its sales channels. As of the end of the Reporting Period, the Company had 3,479 distribution partners (December 31, 2024: 3,193), with 633 partners added and 347 partners removed during the year. The table below lists the total number of distribution partners in each region during the Reporting Period and the changes therein.

	East China	South China	West China	North China	Central China	Others [1]
As of the beginning of period	440	324	826	783	617	203
— No. increased in the period	118	18	145	110	66	176
— No. decreased in the period	(54)	(20)	(99)	(62)	(72)	(40)
As of the end of the period	**504**	**322**	**872**	**831**	**611**	**339**

Note:

(1) Others primarily include sales through online sales, overseas sales and restaurant channels.

Distribution Network and Globalization: Deepening nationwide footprint, with internationalization strategy making a pivotal advance

During the Reporting Period, the Company adhered to channel management and distribution network development to guide its strategic development, coordinating deep cultivation of the domestic market with its internationalization strategy, and implemented a series of precise and effective strategic initiatives. While continuously improving its channel system and enhancing terminal efficiency, the Company steadily consolidated the channel foundation for brand globalization, driving mutual promotion and synergies between deep cultivation domestically and global expansion.

The Company has established a comprehensive, nationwide, and deeply penetrated channel network system, laying a solid foundation for industry-leading terminal coverage. As at the end of the Reporting Period, the Company had more than 3,400 distributors and over 4.5 million active POS, achieving both wide penetration and deep market reach.

Leveraging a multi-category product portfolio, the Company advanced its scenario-based channel strategy, formulating targeted promotion plans based on product characteristics and continuously expanding into emerging consumption scenarios such as restaurants, outdoor, and office settings. Through scenario-based product displays, the Company enhanced terminal sell-through capabilities. Simultaneously, it promoted terminal image upgrades, strengthened its "cooler display" strategy, optimized shelf displays and product accessibility, and thereby effectively stimulating immediate consumption and improving channel control.

In the domestic market, the Company maintained refined offline operations, deepening channel value through a dual "product + service" approach. The Company provided customized solutions to address partners' pain points in distribution, sell-through and display, promoting precise alignment of products and consumption scenarios, and facilitating in-depth and efficient development of offline channels. Online channels progressed in parallel. While consolidating its presence on mainstream e-commerce platforms, the Company actively expanded into new areas such as content e-commerce and community group purchase, and explored innovative models like livestream e-commerce, continuously broadening consumer reach and deepening brand connection.

The Group's internationalization process achieved milestone progress during the Reporting Period, with the strategic vision of "bringing Chinese energy to the world" moving from blueprint to substantive implementation.

In February 2026, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange, becoming the first "A+H" listed functional beverage enterprise in the PRC. The Hong Kong listing attracted 15 leading global cornerstone investors, including Qatar Investment Authority, Temasek, Tencent, and UBS Asset Management. This not only provided ample financial support for the Company's globalization strategy, but also greatly enhanced the brand's international reputation and influence, and laid a solid capital and reputational foundation for the Company's overseas expansion.

The Company has consistently regarded channel internationalization as its core strategy, steadily advancing its global expansion. At present, the Company's products have been successfully exported to 32 countries and regions, covering key markets such as the U.S., South Korea, Malaysia, Vietnam, and Indonesia. In Southeast Asia, the Company has established localized teams to continuously achieve market penetration. Specifically, in the Indonesian market, the Company has formed close partnerships with strong local channels, fully transitioning from product export to brand localization and local operations. Moreover, facing the highly developed and fiercely competitive U.S. market, the Company is also actively exploring new supply chain models for overseas expansion, using the OEM model as an entry point to lay the foundation for future brand localization and global production capacity deployment.

Brand Building and Marketing Innovation: Deepening penetration across all channels and scenarios, with brand value and brand reputation steadily rising

During the Reporting Period, *Eastroc Super Drink* continued to maintain its collaboration with television media and other authoritative media, including through being the exclusive title sponsor of the 2025 FIA F4 China Championship and sponsoring the 15th National Games, the Spartan Race and other national-level top-tier sports events, and thereby deepening its national brand identity and international impact as encompassed in "Glory for the Nation, Eastroc Energy". Leveraging partnerships with professional sports channels and top international sporting events, *Eastroc Water Boost* has strengthened its recognition as a leading brand in the sports hydration and sports beverage category. *Coffee Master*, represented by renowned singer and philanthropist Ms. Han Hong, conveys the warmth of the brand through scenario-based marketing and rapidly boosts its presence in the ready-to-drink coffee segment. During the Spring Festival, national actress Yan Ni has been engaged as brand ambassador of *Coco Island Coconut Milk*, precisely positioning itself as a festive gift for joyful family occasions. The brand enhanced its association with gifting through product placements in local Spring Festival Galas and terminal displays. New products such as *Tea of Fruits* and *Hong Kong-style Milk Tea* were well received by the market immediately upon launch, continually building consumer goodwill through innovative product strength and promotional activities, and driving comprehensive growth in brand reputation and value.

During the Reporting Period, the Group systematically implemented its brand marketing campaigns integrating "consumer segments, consumption scenarios and product positioning" as a unified framework, and broadening consumer reach while achieving deeper consumer engagement. By precisely targeting specific consumer segments and developing differentiated marketing strategies based on their behavioral characteristics and scenario needs, the Company has effectively improved product reach efficiency and brand recognition, laying a solid foundation for the continued enhancement of brand influence.

For driving scenarios and cross-industry marketing, the Company has innovatively adopted advertising formats such as in-app navigation route-based advertising and big advertisement signs, collaborating with leading navigation app platforms to cover peak hours and broaden its reach to various driver groups, thereby reinforcing the association of "Worn out? Time for Eastroc!" with the driving scenario. The Company also partnered with Trident for a cross-industry collaboration to launch its *Eastroc Super Drink-flavored Trident gum*, which received wide compliments from consumers.

With respect to the sports scenario, as the "Sports Hydration Expert," *Eastroc Water Boost* achieved strategic elevation in brand influence during the Reporting Period. The brand became the official designated sports beverage of the 2025 China Open (tennis), the Sudirman Cup World Badminton Mixed Team Championships and other top international sporting events, and was officially upgraded to an official sponsor of the 2025–2026 CBA League season, making its debut in the PRC's highest-level professional basketball league, significantly enhancing the brand's professional authority. Concurrently, through collaboration of *Eastroc Water Boost* with trendy sports IPs such as the Spartan Race and Les Mills Gala, and the step up in our investment in mass sports that allowed us to reach a broad audience of runners and cyclists through voice-enabled scenarios, the brand has successfully extended its strong association of "sweating = time for hydration with *Eastroc Water Boost*" from professional athletes to a broader audience of sports enthusiasts and youngsters.

In respect of the campus scenarios, the Company has driven brand penetration by sponsoring campus sports events and conducting brand promotion activities. Taking *Eastroc Water Boost* as an example, the Company has strategically expanded campus channels by arranging product trials and interactive experiences at youth basketball tournaments and other campus competitions, and thereby cultivating a young consumer base.

In the esports and entertainment scenario, the Company actively embraces youth culture. *Eastroc Super Drink* has built an in-depth collaboration matrix in the esports sector, ranging from KPL (King Pro League) to PEL (Peacekeeper Elite League), successfully establishing its "esports energy partner" identity through diversified event associations and fan engagement, precisely reaching core Generation Z consumers and firmly securing mindshare among young people.

For daily leisure and festive scenarios, *Eastroc Super Drink* has served as the title sponsor of Tianjin Satellite TV's Crosstalk Spring Festival Gala for two consecutive years, integrated its brand into top Spring Festival movies and television IPs, and collaborated with popular card games such as "Happy Landlords (《歡樂鬥地主》)" and "Tencent Guan Dan (《騰訊大摜蛋》)" for joint promotion. Meanwhile, Coco Island Coconut Milk has targeted the "family celebration" scenario to fully capture the gifting market.

Looking ahead, the Company will continue to deepen its innovative marketing capabilities centered on consumer segments and scenarios, strengthening the emotional connection between the brand and consumers. By continually exploring segmented consumption scenarios and enhancing user interaction experiences, the Company aims to further consolidate consumer stickiness and brand loyalty.

Production

Production Bases and Capacity

As of the date of this Report, the Group has established a footprint of 14 production bases nationwide, of which 10 have commenced operations. The following table sets forth the designed capacity, actual output and utilization rate of each production base for the year ended December 31, 2025:

	For the year ended 31 December 2025		
	Designed Capacity(1)	Actual Output	Utilization Rate(2)
	(thousand tons)		(%)
Production Base			
Zengcheng	**538.1**	**442.9**	**82.3**
Dongguan	**564.0**	**570.4**	**101.1(3)**
South China	**684.9**	**610.9**	**89.2**
Anhui	**1,313.9**	**1,060.4**	**80.7**
Nanning	**918.5**	**737.8**	**80.3**
Chongqing	**718.8**	**647.4**	**90.1**
Haifeng	**337.0**	**223.3**	**66.3**
Zhejiang	**839.1**	**737.9**	**87.9**
Changsha	**808.0**	**692.9**	**85.8**
Tianjin(4)	**24.9**	**17.5**	**70.3**
Total	**6,747.2**	**5,741.4**	**85.1**

Notes:

(1) Designed capacity is calculated based on the assumption that all production lines are operated at a practicable high utilization level, with allowances for reasonable factors such as routine maintenance and public holidays.

(2) Utilization rate equals actual output divided by designed capacity.

(3) The utilization rate of the Dongguan production base exceeded 100% due to optimized shift arrangements in response to temporary market demand surges.

(4) The Tianjin production base commenced operations in December 2025.

Capacity Expansion

In addition to its 10 operational production bases, the Group continued to advance capacity expansion projects across the production network during the Reporting Period, which are expected to further expand the Group's nationwide production network upon completion. For details of our capacity expansion, see "— Investments — Capital Expenditure" in this section.

Production, Sales Volume and Inventory Level

During the Reporting Period, the Group continued to enhance its production capacity and optimize its manufacturing layout. Its production system supported the manufacturing of energy beverages, sports beverages and other beverage products. All product categories maintained growth in both production and sales volumes in 2025, with consistently high sales-to-production rates. The sales-to-production ratio for energy beverages was 106.4%, for sports beverages 101.2% and for other beverages 99.6%, demonstrating the Group's rapid product turnover. The following table sets forth a breakdown of the Group's production volume, sales volume, and inventory volume by category and their respective change over the previous year:

	Production Volume (1)		Sales Volume			
Product Category	For 2025	Change compared to 2024	For 2025	Change compared to 2024	Proportion of Products Sold (2)	Inventory as at December 31, 2025
	tons	%	tons	%	%	tons
Energy beverages	3,454,799	6.2	3,675,681	19.2	106.4	69,631
Sports beverages	1,449,000	108.5	1,466,187	121.9	101.2	32,954
Other beverages	888,786	85.5	884,834	87.4	100.0	31,431
Total	**5,792,585**	**30.8**	**6,026,702**	**42.9**		**134,016**

Notes:

(1) Production volume includes in-house production of 5,741,415 tons and outsourced processing of 51,170 tons.

(2) Proportion of products sold is calculated by dividing sales volume by production volume for the year.

Supply Chain System and Cost Management: Building a Resilient, Efficient and Industry-Leading Operating System

Forward-looking production capacity deployment supporting nationwide and international expansion

The Group has constructed a strategic production capacity network covering all core markets in the PRC. As at the date of this Report, the Group has established a footprint of 14 production bases nationwide, of which 10 have commenced operations, significantly reducing logistics costs. During the Reporting Period, the Tianjin production base commenced operations in December 2025, which will enhance our supply capacity in the North China region and significantly shorten the distribution radius for the Beijing-Tianjin-Hebei region and surrounding areas. The Zhongshan base has completed structural topping out and will further strengthen our production and supply capabilities in the Greater Bay Area. The Hainan base extends coverage to the South China Sea region, leveraging geographic advantages to reduce logistics costs for island and coastal markets. The Kunming base represents an important strategic deployment for our expansion into the Southwest market, and together with the Hainan base, serves as hubs for the Southeast Asian market, supporting the expansion of our cross-border business.

Lean management and technological innovation forging sustainable cost leadership

The Group has consistently implemented its total cost leadership strategy, maintaining an all-in-cost advantage. Through large-scale centralized procurement, continuous production automation upgrades, and comprehensive adoption of palletized transportation, significant cost reductions have been achieved across all supply chain nodes. Benefiting from continuous lean improvement, the Group's unit manufacturing costs remain significantly below the industry average, establishing a robust cost barrier. Concurrently, the Group maintains a "zero defect" quality management standard, deploying intelligent inspection equipment at critical production nodes to ensure whole-chain quality assurance from raw materials to finished products.

Digital tools empowering precision operations and channel governance

The Group conducts in-depth operations through its proprietary digital systems to drive efficiency improvements. Its unique "five-code integration" product traceability system achieves precise lifecycle management from production to distribution, powerfully maintaining channel order. At the consumer interaction level, innovative marketing campaigns such as "Scan-to-Earn Red Packet" have effectively enhanced consumption frequency and brand stickiness. Additionally, the application of intelligent customer service, terminal image recognition and other technologies continues to optimize operational efficiency and terminal service experience.

Digitalization Transformation Synergy and Innovation: Empowerment by Digital Intelligence, Efficient Collaboration, Driving High-Quality Development

The Company has pioneered in its exploration of the "one item, one code" and "five-code integration" technologies, establishing a fully digitalized operational ecosystem that covers the supply chain, production bases, distribution partners and end consumers. This platform enables online and transparent operations across the entire chain, strengthens channel stickiness and delivers comprehensive quality and efficiency improvements. The ecosystem comprises three major digital systems — marketing, supply chain, and management — which seamlessly connect and operate in synergy to become a key engine driving business growth.

The marketing digital system serves as a crucial link between the market and consumers, fully covering core scenarios such as merchant operations, consumer engagement and promotional activities. During the Reporting Period, consumer interaction campaigns and merchant service features underwent continuous iterations and upgrades, effectively activating sales enthusiasm at terminal outlets and consumer purchase willingness through a full-chain value-sharing mechanism, and strengthening real-time brand interaction with terminals. Leveraging deep data mining and analysis of sales activity, marketing strategies and resource allocation were precisely optimized, resulting in significantly enhanced single-point sales efficiency.

Our supply chain digital system spans the entire process from raw material procurement to product delivery. By tracking key data such as product age and inventory in real time, it scientifically optimizes production planning and procurement rhythms, greatly improving inventory and raw material turnover efficiency. This ensures efficient and smooth production-sales collaboration and prevents regional shortages or surpluses.

Our management digital system breaks down departmental barriers to support efficient cross-link collaboration. It enables refined management of personnel performance and human resources and provides objective support for management decision-making through integrated analysis of various business data, continuously strengthening internal operational capabilities.

Moreover, the Company actively explores AI technology applications, using AI-powered customer service to quickly respond to consumer inquiries and issues, offering 24/7 uninterrupted service and significantly improving customer service efficiency and quality. AI technology breakthroughs in product identification and scenario analysis have successfully covered multiple product SKUs, with marked improvements in image recognition accuracy, providing reliable data support for terminal management and precision marketing.

Looking ahead, the Company will continue to deepen its core digital capabilities, advancing technology innovation with a focus on business value. On the technology front, further iterations of digital applications will be pursued, with ongoing exploration of emerging technologies such as AI in terminal identification and demand forecasting to enhance system intelligence. In terms of business synergy, the integration of data across the three main systems will be strengthened, reinforcing dynamic response mechanisms between marketing and supply chain, and achieving rapid full-chain reactions from consumer demand to production delivery. For value creation, the Company plans to use digital tools to deepen channel stickiness, expand terminal network coverage, and continuously optimize resource allocation based on data insights. Digitalization will not only serve as an internal operational support but also become a core engine driving market expansion and performance growth, injecting lasting momentum for the Company's long-term development.

Procurement

The Company adopts a procurement model on the basis of "production based on sales, procurement based on production". Its supply chain management center formulates annual, monthly, and weekly production plans for each manufacturing base according to the annual sales demand plan. After comprehensively considering product categories and safe inventory levels, it prepares the procurement budget and tracks its execution, implementing detailed material procurement according to monthly and weekly production plans. Meanwhile, for certain critical raw materials, the Company conducts strategic stockpiling based on market research to mitigate risks related to supply and price fluctuations.

Currently, the Company has established a comprehensive procurement management system, achieving high-quality and stable supply of production materials. In terms of external cooperation, the Company is committed to building a win-win ecosystem with suppliers, forging strong partnerships with several listed companies and industry-leading suppliers. Through years of development, the Company has formulated a mature "Supplier Management System" and created a qualified supplier list, which is reviewed and evaluated annually to ensure suppliers continuously meet the Company's production requirements in product quality, responsiveness, supply price, and contract fulfillment capability.

During the Reporting Period, the raw materials procured by the Group mainly include ingredients, packaging materials and energy.

Innovation, Research and Development

Our Company's long-term development relies not only on outstanding products and market strategies, but is also deeply rooted in strong innovation and R&D capabilities, which provide a solid foundation and internal driving force for high-quality growth.

During the Reporting Period, we upheld R&D innovation as a key pillar for strengthening core competitiveness, continuously increasing investment and improving our system. Focusing on health, functionality, and high quality, we undertook systematic work in formula upgrades, process optimization, and technology innovation. By deepening industry-academia-research collaboration mechanisms and partnering with leading universities and research institutions, we comprehensively explored fundamental quality research on materials ranging from tea leaves and coconut juice to medicinal and edible substances, as well as cutting-edge processes such as HPP processing. These robust applied research efforts provide scientific support for product efficacy and establish strong technological barriers. Our powerful R&D capabilities directly empowered the product successes described earlier. During the Reporting Period, we launched several high-quality new products aligned with market trends, such as glass bottle beverages containing NFC oil-camellia juice, sugar-free energy drinks, and the *Tea of Fruit* series. At the same time, we continuously optimized and upgraded the quality of existing products, striving to establish industry-leading standards, and rapidly convert innovation achievements into market competitiveness and growth momentum.

The Company's research and development expenses for the Reporting Period was RMB66.3 million. As of December 31, 2025, the Company had 150 research and development personnel, of which 101 personnel held academic qualifications of bachelor's degrees or above.

CORE COMPETITIVENESS

Amid the complex and evolving market environment, the Company's management has consistently maintained a strategic perspective in evaluating enterprise development, precisely identifying its competitive strengths and development direction through systematic internal and external analysis. Through continuous refinement of management practice, the management has identified seven core competitive strengths underpinning the Group's healthy, high-quality development. These core competitive strengths are derived from deep insight into market demand and sustained investment in product innovation, and are rooted in robust technological research and development capabilities and highly efficient whole-chain operations, collectively forming the Group's formidable competitive moat.

Product Strength: Precision Innovation Driving a Diversified Growth Matrix

Multi-category matrix establishing a solid growth foundation

Guided by its “1+6” diversified development strategy, the Group has leveraged its well-established channel system and sustained innovation capabilities to steadily advance its multi-category strategic positioning. The Group has successfully constructed a comprehensive product matrix with energy beverages and sports beverages as core drivers, encompassing a matrix of products comprising tea beverages, coffee beverages, plant-based protein beverages and fruit and vegetable juice beverages. Among these, *Eastroc Water Boost* recorded revenue growth of 119.0% in 2025 with its revenue contribution rising to 15.7%, establishing itself as a robust second growth curve; *Coffee Master* has risen to the top three by market share in the ready-to-drink coffee market; and the *Tea of Fruits* tea beverage series has achieved rapid volume growth.

A diversified product matrix effectively disperses operational risk, significantly enhances the Company’s market competitiveness and resilience against economic cycles, and lays a solid foundation for sustainable development.

Market insight and demand innovation

The Group consistently adopts a consumer-demand-oriented approach, continuously identifying and positioning in beverage sub-segments with long-term growth potential through deep market trend analysis. The Group has built a multi-format, multi-flavor product matrix around refined consumer segmentation and scenario stratification, achieving deep integration of functional needs with scenario-specific solutions. Leveraging its strong research and development innovation capabilities, the Group continues to achieve breakthroughs across three dimensions: flavor innovation (such as coconut latte and sugar-free series), product packaging (such as high-recognition contrasting color designs) and efficacy (such as precise electrolyte formulation and fatigue relief). Through differentiated packaging specifications and a broad combination of flavors, the Group effectively addresses the scenario-based needs of various consumer segments, completing the upgrade from singular function to comprehensive scenario solutions, and thereby establishing a unique competitive advantage for the brand.

High-standard technology leadership

The Group continues to deepen its industry-academia-research collaborative innovation mechanism through strategic partnerships with leading domestic universities and research institutions, significantly enhancing the efficiency of new product process development and formula optimization. For example, the Group established the “Lingnan Fruit and Vegetable Beverage Processing Technology Joint Research Institute” in partnership with the Guangdong Academy of Agricultural Sciences to advance the development of specialty raw materials. In addition, the Group has cooperated with nine authoritative institutions, including Beijing Sport University and South China University of Technology, to carry out efficacy studies such as hydration research on *Eastroc Water Boost* and mental fatigue relief research on *Eastroc Super Drink*, providing scientific data to support product functional claims. This open innovation model not only enables the Group to accurately capture shifts in consumer taste preferences but also continuously enriches its flavor portfolio and builds a core formula system with independent intellectual property rights.

At the same time, the Group attaches great importance to the accumulation of intellectual property, proactively pursuing strategic patent deployment, and leading or participating in the formulation and revision of national and industry-level standards. These efforts have not only established strong technological barriers for the Group but also promoted high-quality development within the industry, strengthened the Company’s soft power and influence, and enabled the establishment of a comprehensive pipeline of new products, including strategic reserves of innovative formulas and specialty raw materials to ensure rapid response to changing market trends. Leveraging a mature nationwide sales network and reusable channel resources, the Group possesses a unique advantage in quickly scaling up and commercializing innovative products, realizing an efficient transformation from R&D to market launch.

Channel Strength: Three-Dimensional Network and Refined Management Building a Competitive Moat

Three-dimensional channel system construction

The Group has constructed a nationwide, deeply penetrating three-dimensional channel network system, establishing industry-leading terminal coverage advantages. As at the end of the Reporting Period, the Group has over 3,400 distribution partners, with active POS exceeding 4.5 million, achieving broad coverage and deep penetration. While consolidating advantages in traditional modern trade and general trade channels, the Group is actively expanding into emerging channels including food service, social e-commerce, livestream commerce, and is leveraging the large-scale deployment of intelligent vending machines to deeply penetrate high-frequency consumption scenarios such as schools, sports venues, and transportation hubs, continuously broadening the boundaries of channel coverage. The Company is accelerating the comprehensive implementation of its "cooler display" strategy, significantly increasing the scale and intensity of cooler placements at terminal outlets. This move strengthens cooler display support for our "1+6" multi-category development, providing a solid physical foundation for frequent brand exposure and sales conversion. At the same time, the introduction of smart coolers enables real-time monitoring of product sales and the instant uploading of sales data, making it easier to summarize and analyze consumer preferences in a timely manner, and providing core support for the smart retail ecosystem. Currently, the development of next-generation smart cabinets is also being ramped up, focusing on enhancing the visibility and per-outlet output of all product categories.

Refined channel management

The Group continues to deepen its "product + service" refined channel management model, providing end-to-end in-depth services to channel partners through its nationwide sales team. Centered on in-person visits, sell-out collaboration, and training guidance, sales personnel continuously empower distributors to optimize inventory, strengthen terminal displays, and customize market solutions, thereby building a deeply trusted and long-term win-win cooperation network. At the same time, leveraging digital marketing systems such as "five-code integration" (五碼關聯), the Group achieves real-time monitoring and data feedback on channel inventory and terminal sell-through, precisely matching marketing resources and service requirements. This enables full-chain penetration and precise resource delivery from product delivery and channel support through to consumer engagement, significantly improving channel operational efficiency and the return on marketing investment.

Globalization strategic deployment

The Group's globalization business capability continues to expand. Products have successfully entered Hong Kong, the United States, Korea, Malaysia, Vietnam, Indonesia and numerous other countries and regions. Through flexible localization strategies tailored to differentiated market requirements, the Group has adjusted product formulations and packaging designs for local consumer preferences, developed region-specific brand strategies, and actively partnered with local enterprises to build localized logistics and sales networks. The Group is gradually transitioning from cross-border sales to local operations, laying a solid foundation for sustainable growth in its international business. In 2025, the Group successfully entered the Hong Kong capital market, providing a broader platform and resources for global expansion.

Brand Strength: "Breadth–Depth–Height" Three-Dimensional Power Through to Achieve Full-Scenario Consumer Brand Recognition

The Group continues to reinforce its core brand competitiveness, driving multi-dimensional value elevation. Adhering to a multi-category strategy as its core direction and leveraging a strong foundation of brand equity, the Group systematically operates each sub-brand to build a leading comprehensive beverage group in China.

In brand building practice, the Company has developed a three-dimensional methodology comprising "breadth–depth–height": rapidly establishing broad awareness through mass media, conducting precise engagement and in-depth education among core audiences, and leveraging major events to elevate brand momentum, thereby efficiently converting traffic into sales.

On the breadth dimension, the Company maintains strategic cooperation with authoritative media platforms such as CCTV, continuously strengthening brand credibility. In outdoor advertising, the Company intensively invests in ads that fully cover commuting scenarios such as buses, subways, and high-speed rail, and achieves comprehensive outdoor reach through a combination of highway billboards, elevator media, and bus ads. For online communication, the Company maintains high-frequency placements on top video platforms, gaining deep brand exposure through pre-rolls and content integrations in popular dramas, using “strong content” to drive “large traffic.”

On the depth dimension, the Company targets specific audiences for vertical penetration and scenario education. For example, for drivers — a group the Company has served for many years — it innovatively uses online “media-ized tools” such as Gaode Map’s voice navigation ads and Didi/Lalamove driver terminal placements. At the same time, in offline scenarios, it coordinates with campaigns at highway billboards, gas stations, service areas, logistics parks and driving schools, forming a saturated reach through integrated online and offline sales promotion channels. The Company has now developed dedicated projects for various groups such as drivers, sports enthusiasts and billiards players. For sports enthusiasts, for instance, the Company places targeted ads on fitness apps like Joyrun and Codoon, and complements these efforts with stadium billboards and special promotion cases, continuously reaching core audiences to drive repeat purchases and customer loyalty.

On the height dimension, the Company leverages major international events to elevate brand power. By sponsoring top sports events, the Asian Games and the KPL King Pro League, the Company takes advantage of the popularity and spotlight moments of these events to achieve high-frequency brand exposure, facilitating brand influence breakthroughs across different circles, driving both brand awareness and reputation, and boosting brand value growth.

The Company deepens its insights into target audiences and consumption scenarios and implements refined operations. Based on the above methodology, each brand has established a differentiated development path in practice:

- ***Eastroc Super Drink:*** Focused on the core functional scenario of “fatigue and drowsiness,” with “Highway Storm” as its main tactic, complemented by elevator and bus ads for full-scale outdoor coverage, and product placements in hit online dramas. This comprehensive approach reaches core groups such as drivers, gamers and sports fans, firmly establishing the brand as the “top-of-mind choice for moments of fatigue”.

- ***Eastroc Water Boost:*** Focused on “sweating” scenarios and establishing a strong association between “Sweating = Water Boost,” this drives the category from “professional replenishment” to an “everyday health necessity.” The brand name was chosen for minimal “educational cost”-it both represents the category and is distinctive, making the product stand out in itself on the shelf. By deeply engaging in sports event scenarios and diverse athletic tracks, the brand builds emotional connections with target customers and reinforces a youthful, energetic brand image.

- ***Coffee Master:*** In-depth endorsement collaboration with renowned singer Han Hong, promoting “Coconut Latte? Drink *Coffee master*” as the core message and strengthening the “master” brand identity. As a refreshing product similar to energy beverage, *Coffee Master* coordinates with Eastroc Super Drink in scenarios such as gas stations and service areas, fully leveraging the brand’s equity. This has led to rapid growth in both brand awareness and reputation, quickly placing it among the top three in market share.

Through the systematic implementation of the “breadth–depth–height” three-dimensional methodology, the Company has successfully created profound linkage between product features and consumer needs, driving synergistic growth across multiple brands and continuously strengthening its belief that “there is no reason not to grow.”

Supply Chain Strength: An Agile, Efficient, Low-Cost Nationwide Supply Network

The Group has established a comprehensive end-to-end quality assurance mechanism, targeting a "100% factory inspection pass rate", integrating HACCP and ISO international standard systems, obtaining FSSC 22000 certification, and deploying intelligent inspection equipment at critical production nodes. At the same time, the Group has strengthened dynamic coordination between production and sales, driving flexible production planning based on real-time sell-through data to ensure high order fulfillment rates. In the logistics segment, intelligent warehousing and palletized transport have been adopted, significantly improving turnover efficiency and delivery timeliness. During the Reporting Period, multiple newly constructed production lines and technical upgrade projects were successfully completed, enhancing multi-category co-production capabilities and further improving the overall resilience and flexibility of the supply chain.

In terms of cost management, the Group has established sustainable cost leadership through large-scale procurement (including long-term agreements for bulk raw materials), PET packaging standardization to reduce packaging material costs, and continuous energy structure optimization. The Group drives technological innovation by introducing automated equipment to reduce reliance on manual labor and enhance quality control precision. In addition, digital tools are used for precise channel expense management, enabling refined cost governance across the entire supply chain and building a sustainable cost leadership advantage.

The Group has built a nationwide strategic production capacity network. As of the date of this Report, we have established a footprint of 14 production bases nationwide, with 10 already in operation and several more under construction. This forward-looking capacity layout effectively shortens the product transportation radius, reduces logistics costs, and ensures products can rapidly and freshly respond to market demand nationwide, providing strong supply chain support for the Group's ongoing national expansion and multi-category development.

Digitalization Strength: Full Value Chain Digitalization Driving Intelligent Operations and Precision Growth

Leveraging more than a decade of digital strategy accumulation, the Group has constructed a core competitive moat spanning the entire value chain. Through its "five-code integration" technology connecting production, distribution and consumption, the Group has established three industry-leading digital systems: the sales and marketing digital system, the supply chain digital system, and the operational management digital system, all seamlessly integrated and working in synergy. The sales and marketing digital system drives precise resource deployment through real-time sell-through data feedback; the supply chain digital system achieves full-process dynamic monitoring and efficient coordination from raw material procurement to product delivery; and the operational management digital system has established refined performance evaluation models providing a scientific basis for operational efficiency improvement.

At the consumer end, digital interactive campaigns such as "One Yuan Enjoyment (一元樂享)," "Free Enjoyment (免費樂享)," and "Scan-to-Earn Red Packet (掃碼紅包)" enhance consumer stickiness. At the channel end, innovative "Box Code Red Packet (箱碼紅包)" and terminal rebate mechanisms have been developed to construct a shared-value ecosystem from consumer repurchase to terminal revenue growth. At the expense management end, the digital system achieves precise and direct expense delivery, significantly improving the return ratio on selling expenses.

The Group is accelerating intelligent upgrades: For distributors, a mobile mini-program integrates ordering and marketing functions to improve order efficiency; the AI customer service system enables 24-hour instant response; self-developed IoT verification devices streamline terminal verification processes; and smart refrigerators provide real-time monitoring of sell-through data, offering core support for smart retail and consumer preference analysis, continuously leading operational efficiency revolution.

Talent Strength: Systematic Talent Pipeline Building and Strategic Empowerment

The Group has established a clear talent pipeline structure and promotion pathway covering all levels from frontline to senior management. Through school-enterprise cooperation, management trainee programs, and other channels, the Group actively introduces and develops young leaders to build a core talent reserve for long-term development. At the same time, the Group has built a dynamic and iterative human resources system that safeguards employee rights and supports efficient organizational operations. The Group has constructed a five-dimensional training system, covering leadership, marketing capability, supply chain capability, professional capability, and general capability, which is closely aligned with its business growth objectives. Through benchmark projects, practical training, and online learning platforms, the Group systematically enhances employee competency, distills experience into replicable organizational capability assets, and provides strong talent assurance for strategic advancement.

Cultural Strength: Core Values Unifying the Organization and Driving Sustained Growth

The Group has established “culture-led enterprise building” as a core strategy, integrating the entrepreneurial spirit of “Eastroc is always on the entrepreneurial road” and its national brand spirit into the organizational fabric. By developing a systematic corporate culture theory framework, evaluation system, and honor management system, the Group strengthens value recognition among all employees and provides platforms for those who dare to innovate and take on challenges to showcase their capabilities. The Group upholds its core values of “Simplicity, Integrity, Collaboration and Perseverance,” and has embedded the growth culture of “No Excuse Not to Grow” into every employee. This culture stimulates powerful organizational self-motivation and represents the intrinsic driving force behind the Group’s sustainable, resilient growth. The Group’s “520 Love Mutual Aid Fund” is supported by an innovative mechanism that combines employee mutual assistance and corporate support, offering tangible care for employees facing difficulties. This transforms the cultural core of “striving for happiness” into a warm institutional safeguard, significantly enhancing employee belonging and organizational cohesion.

FUTURE PROSPECTS AND DEVELOPMENT

Development Strategy

During the Reporting Period, the Group closely aligned its strategic planning with changes in the macro environment and the industry competitive landscape, continuously advancing its long-term strategic layout. Through in-depth strategic business environment assessments and marketing strategy discussions conducted jointly by the internal management team and external experts, the Group formulated a clear, rolling four-year strategic development plan. Based on the Group’s mission, vision, and values, the plan clarifies overall development objectives, further detailing these objectives into specific implementation pathways across business portfolio, functional capability building, and strategic capability enhancement. Through top-level design and systematic execution, the Group consolidates its leadership position in the energy beverage sector and accelerates the construction of a second growth curve through multi-category synergistic development, striving to become China’s leading beverage group by the end of the planning period.

For strategic positioning, the Group remains committed to focusing on its core beverage business, avoiding blind cross-industry expansion. Leveraging industry opportunities from the “rise in domestic brands” trend and health-oriented consumption upgrades, the Group implements a differentiated regional strategy through deeply cultivating core economic regions, focusing on breakthroughs in first-tier cities, while seizing festive consumption opportunities and accelerating penetration into rural markets, transportation hubs, and tourism consumption scenarios. In addition, the Group has fully launched its globalization strategy, initially prioritizing Southeast Asian and overseas Chinese community markets as key breakthrough areas, and gradually nurturing overseas growth engines.

In terms of product portfolio, the Group continues to build its “1+6” brand matrix. While consolidating *Eastroc Super Drink*’s position as the leading domestic energy beverage brand, the Group concentrates resources on incubating new blockbuster products, with a focus on developing *Eastroc Water Boost* into a leading light functional beverage brand. The Group also promotes *Tea of Fruits, Shangcha Superior Tea, Baked Good Tea, Hong Kong-style Milk Tea, Coffee Master, Coco Island Coconut Milk*, and other sub-brands to the forefront of their respective categories, establishing a multi-point support, synergistic development product ecosystem.

In channel development, the Group ensures strategic execution is driven by channels. While consolidating its foundation in traditional channels, it is rapidly deploying emerging channels such as vending machines, O2O instant retail, snack discount stores, and actively expanding into food service channels and meal-accompanying consumption scenarios. Customized products are developed to suit different channels, optimizing channel structure and achieving scale breakthroughs. At the same time, digital and intelligent tools are used to improve terminal operational efficiency and drive coordinated growth across online and offline channels.

To ensure the efficient implementation of strategic objectives, the Company has established six strategic pillars: multi-category operations, brand-driven growth, digital and intelligent empowerment, channel-driven strategy, cost leadership, and rapid response. The Company will continue to increase investment in digitalization and intelligent transformation, leveraging data to drive marketing decisions, optimization of supply chain, and enabling refined management at the terminal level. The Company remains committed to a total cost leadership strategy, balancing product quality with operational efficiency, and will build an agile and highly efficient organizational mechanism to fully enhance market responsiveness.

In addition, the Company has set up five strategic support systems: regional networks, production and supply, digitalization, brand marketing, and product R&D. These support systems comprehensively enhance our seven core capabilities — brand strength, product strength, channel strength, digitalization capability, supply strength, cultural strength, and organizational strength — while establishing three strategic safeguard frameworks: sound financial management, incentive mechanisms, and a culture that permeates the organization. Through systematic strategic planning and effective execution, the Company will maintain strategic focus amid fierce market competition, achieve high-quality and sustainable long-term growth, and continue to create outstanding value for shareholders.

2026 Operating Plan

In 2026, the Group will steadfastly deepen its "1+6" multi-category development strategy, while maintaining and strengthening the core energy beverage business foundation. Closely aligning with market trends and evolving consumer demands, the Group will fully leverage the synergistic advantages of brand, channel, and digitalized marketing to comprehensively empower the cultivation and growth of new categories. The Group will make every effort to advance toward becoming China's leading multi-category beverage group. The Company's management team carefully reviewed and analyzed both internal and external business environment, its operational strengths and weaknesses, industry competition dynamics and competitive strategies to establish a fundamental business objective for 2026 to achieve a growth in operating revenue of no less than 20%. The Group shall focus on systematic advancement of the following five core areas:

Adhering to sell-through orientation and establishing precision operating benchmarks. The Group will place terminal sell-through at the core of its operating philosophy, establishing sell-through effectiveness as the principal benchmark for marketing strategy formulation, resource allocation, and performance evaluation. The Group will create a closed-loop mechanism for evaluating and dynamically adjusting the effectiveness of its strategies, thereby comprehensively enhancing market responsiveness and resource utilization efficiency. The Group will continue to iterate and upgrade its digital marketing intelligence systems, strengthening real-time terminal sell-through data collection, in-depth analysis, and visualized application capabilities, ensuring that business decisions are based on authentic and precise market feedback.

Strengthening cost management and building an efficient production-sales coordination system. While pursuing scale growth, the Group remains committed to cost leadership by systematically optimizing every aspect of production, supply, sales, and human resources, thereby building core competitiveness to support high-quality development.

- Leveraging demand forecasting and intelligent production scheduling, the Group implements a "sales-determined production" approach to reduce inventory and minimize risks of running out of stock. At the same time, it will strengthen strategic collaboration with key suppliers and ensures key raw material reserves to maintain supply chain stability and cost control.

- The Group will adhere to "localized production and localized supply," lowering logistics and manufacturing costs through construction of new production base and optimization of existing production lines. Quality control will be extended to suppliers, establishing a comprehensive digital monitoring system throughout the process to prevent quality losses.

- The "workers rest, machines do not stop" operating model will be further deepened, with cross-base workforce deployment mechanisms to improve labor efficiency and equipment utilization. For overseas market expansion, the Group will tailor localized supply solutions and builds a highly efficient and economical cross-border supply chain system.

Deepening digital enablement and building a transparent, efficient marketing platform. To address the complex market environment and shifting consumer trends, the Group will take digitalization and innovation as its core strategies, comprehensively driving intelligent upgrades across the entire business chain from production and manufacturing to marketing and services, empowering decision-making and management, and building future-oriented core competitiveness.

The Group will continue to advance a comprehensive digital transformation centered on intelligent manufacturing, deepening digital connectivity and collaboration across key areas such as production, procurement, logistics, and sales. The focus will be strengthening AI foundational technology frameworks and talent development, promoting the in-depth application of AI in critical scenarios such as demand forecasting, intelligent production scheduling, quality inspection, and risk control. Looking ahead, the Group will further promote the synergistic integration of big data and AI in the manufacturing sector, advancing full-process automation and data interconnection across production, supply, and sales. Through data insights and process optimization, production efficiency and the scientific basis of management decisions will be continuously improved, empowering multi-business development.

The Group will strengthen the application of digital traceability technologies such as the "One Item, One Code" system, enabling end-to-end product traceability from production and circulation to the sales terminal. Special emphasis will be placed on enhancing the intelligent monitoring and inspection system against unauthorized distribution, using data models to identify abnormal flows, thereby safeguarding the price system and market order, and protecting the legitimate rights and interests of all parties.

Externally, the Group will optimize the end-to-end consumer experience through digitalized membership systems, integration of omni-channel customer service, and personalized engagement. At the same time, digital toolkits — including inventory, sales, and market insight management — will be provided to channel partners to strengthen their operational capabilities. Internally, mobile management platforms will enable standardized operations, dynamic performance management, and real-time resource allocation for frontline teams such as sales representatives and promoters, thereby improving productivity.

While consolidating the advantages of traditional channels, the Group will accelerate the comprehensive deployment and intensive cultivation of emerging channels. The Group will systematically expand its channel network to include vending machines, O2O instant retail platforms, community flash sales, and snack discount outlets. Penetration into food service channels and "meal-accompanying consumption" scenarios will be intensified through customized product development and joint marketing for deeper engagement. A normalized, rapid-iteration trial sales mechanism for new products will be established to quickly validate market potential and foster new growth curves.

Reshaping organizational capability and cultivating a multi-category synergistic ecosystem. To support strategic implementation and large-scale development, the Group will carry out systematic organizational upgrades to build an energetic, highly collaborative, and capable operational organization.

A value-creation-centered incentive and evaluation system will be established to ensure synchronized business growth and talent development. More flexible and market-competitive remuneration schemes, such as project-based and profit-sharing arrangements, will be implemented. The Group will strengthen target management tools to ensure that organizational, team, and individual goals are closely aligned, achieving precise and fair value distribution.

The "unity of purpose and action" corporate culture will be further embedded at all levels through consensus workshops and cross-departmental breakthrough projects, breaking down silos and hierarchical barriers. Customer-centric and market-centric horizontal collaboration processes and rapid vertical decision-making mechanisms will be established, significantly improving overall organizational collaboration and responsiveness to market opportunities, ensuring the company's strategic intent is effectively communicated and executed at the frontline.

Systematic talent empowerment programs will be implemented to continuously strengthen the team's specialized expertise and integrated management capabilities in key areas. The Group will maintain a spirit of striving and advancement, and through advanced methodologies, benchmarking, and practical exercises, comprehensively enhance core operational capabilities in product innovation, brand building, sales operation optimization, and integrated supply chain management. This will provide a strong talent and capability foundation for the synergistic development and high-quality expansion of a multi-category portfolio.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded revenue of RMB20,866.0 million, representing an increase of 31.8% compared to RMB15,830.3 million in 2024. The revenue growth was primarily attributable to the Group's continued implementation of its omni-channel refinement strategy and active development of nationwide sales channels, driving sales volume growth for its core products including *Eastroc Super Drink* and *Eastroc Water Boost*, among other categories.

Cost of Sales

During the Reporting Period, the Group's cost of sales amounted to RMB11,657.7 million, representing an increase of 31.8% as compared to RMB8,847.0 million in 2024, in line with revenue growth, primarily attributable to the growth in sales volume. Cost of raw materials and packaging materials remained the largest component of cost of sales, amounting to RMB9,149.6 million and accounting for 78.5% of total cost, followed by manufacturing expenses of RMB1,274.8 million, logistics service expenses of RMB833.3 million, and direct labor cost of RMB232.2 million. The increases across all cost components were primarily attributable to the year-on-year growth in sales volume.

Gross Profit and Gross Margin

Gross profit amounted to RMB9,208.3 million, representing an increase of 31.9% as compared to RMB6,983.3 million in 2024. The overall gross profit margin remained stable at 44.1% during the Reporting Period (2024: 44.1%). By product category, energy beverages achieved a gross profit margin of 50.0%, an improvement of 2.4 percentage points year-on-year, primarily attributable to the decline in raw material prices; sports beverages achieved a gross profit margin of 34.0%, an improvement of 4.8 percentage points year-on-year, primarily attributable to scale benefits and production cost optimization; other beverages recorded a gross profit margin of 14.7%, a decrease of 7.0 percentage points year-on-year.

Distribution and Selling Expenses

Selling and distribution expenses for the Reporting Period amounted to RMB3,404.8 million, representing an increase of 27.0% as compared to RMB2,681.1 million in 2024. As a percentage of revenue, distribution and selling expenses decreased to 16.3% from 16.9% for the corresponding period in 2024, a reduction of 0.6 percentage point, demonstrating the Group's improving operating leverage. The increase in amount was primarily attributable to: (i) channel promotion expenditure increasing by 57.5%, primarily due to the Group's increased investment in beverage coolers under the "cooler display" strategy; and (ii) employee remuneration expenditure increasing by 23.0%, driven by headcount expansion in the sales team to support the Group's nationwide expansion strategy.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to RMB632.5 million, representing an increase of 30.4% as compared to RMB485.2 million in 2024, and accounting for 3.0% of revenue. The increase was primarily attributable to increases in management personnel remuneration, depreciation and amortization, and professional parties' fees.

Research and Development Expenses

Research and development expenses for the Reporting Period amounted to RMB66.3 million, representing an increase of 5.9% as compared to RMB62.7 million in 2024, and accounting for 0.3% of revenue. The increase was primarily attributable to the Group's continued enhancement of its research and development efforts.

Finance Costs

Finance costs for the Reporting Period amounted to RMB101.1 million during the Reporting Period, representing a decrease of 1.7% compared to RMB102.9 million in 2024, primarily attributable to a decline in interest income from fixed-term deposits during the period.

Income Tax

Income tax expense for the Reporting Period amounted to RMB1,170.3 million, representing an increase of 49.9% compared to RMB780.9 million in 2024, primarily attributable to the increase in profit before tax. The effective tax rate for the Reporting Period was 21.0%, compared to 19.0% in 2024.

Net Profit

Net profit attributable to the owners of the Company for the Reporting Period amounted to RMB4,415.3 million, representing an increase of 32.7% compared to RMB3,326.7 million in 2024. Net profit attributable to the owners of the Company after deducting non-recurring items amounted to RMB4,184.2 million, representing an increase of 28.3% compared to RMB3,262.2 million in 2024. Earnings per share amounted to RMB8.49, compared to RMB6.40 in 2024.

Cash Flows

Net cash generated from operating activities for the Reporting Period amounted to RMB6,174.2 million, representing an increase of RMB384.8 million or 6.6% compared to RMB5,789.4 million in 2024, primarily attributable to the increase in cash received from sale of goods.

Net cash used in investing activities for the Reporting Period amounted to RMB4,102.5 million, representing a decrease of 40.3% compared to RMB6,875.5 million in 2024, primarily attributable to the increase in cash recovered from investments during the period.

Net cash used in financing activities for the Reporting Period amounted to RMB2,648.0 million, compared to net cash generated of RMB1,507.5 million in 2024, primarily attributable to the increase in cash paid for repayment of borrowings during the period.

Inventories

The Group's inventories primarily consist of raw materials and consumables, primarily including packaging materials and ingredients, and finished goods, primarily including packaged drinking water and beverage products. The Group's inventories decreased by 38.5% from RMB1,068.1 million as at December 31, 2024 to RMB657.0 million as at December 31, 2025, primarily attributable to enhanced production scheduling and accelerated inventory turnover. The sales-to-production ratio for energy beverages was 106.4%, for sports beverages was 101.2% and for other beverages was 99.6%, indicating healthy product sell-through across all categories.

Trade Receivables

The Group's trade receivables increased by 11.8% from RMB81.3 million as at December 31, 2024 to RMB90.9 million as at December 31, 2025, broadly in line with revenue growth. The trade receivables remained at a low level, representing 0.3% of total assets, reflecting the Group's advance collection business model.

The following table sets forth the aging analysis of trade receivables, net of allowance for credit losses, based on the invoice date as at the dates indicated:

	As of December 31,	
	2025	2024
	(RMB'000)	
0–90 days	**90,934**	81,308

There were no past due trade receivables as of December 31, 2025 and 2024.

Trade Payables

The Group's trade payables increased by 2.7% from RMB1,255.3 million as at December 31, 2024 to RMB1,289.1 million as at December 31, 2025, remaining stable.

The following table sets forth the aging analysis of trade payables based on the invoice date as at the dates indicated:

	As of December 31,	
	2025	2024
	(RMB'000)	
0–90 days	**1,288,547**	1,245,084
91–180 days	**66**	74
181–365 days	**—**	9,170
Over 365 days	**438**	1,001
Total	**1,289,051**	1,255,329

Financial Position

As at December 31, 2025, the Group's total assets amounted to RMB26,720.7 million, representing an increase of 17.8% compared to RMB22,676.3 million as at December 31, 2024. Key asset items included cash and cash equivalents of RMB2,740.7 million, financial assets at fair value through profit or loss of RMB7,021.2 million, time deposits of RMB6,518.5 million, property, plant and equipment of RMB6,456.0 million (including construction-in-progress of RMB1,413.7 million), and right-of-use assets of RMB1,442.7 million. The increase in fixed assets was primarily attributable to the commissioning of new production equipment at the Tianjin, Anhui and Nanning production bases, while the increase in construction-in-progress was primarily attributable to the ongoing construction of the Zhongshan and Kunming production bases.

Total equity attributable to the owners of the Company amounted to RMB9,421.0 million as at December 31, 2025, representing an increase of 22.5% compared to RMB7,687.8 million as at December 31, 2024, primarily attributable to the accumulation of retained earnings from net profit during the Reporting Period.

Contract liabilities amounted to RMB5,974.4 million as at December 31, 2025, representing an increase of 25.5% compared to RMB4,760.6 million as at December 31, 2024, reflecting continued strong downstream demand and the Group's advance collection business model.

Liquidity and Capital Structure

In 2025, the Group primarily raised funds required for its development through cash generated from operating activities, investing activities and financing activities in a balanced manner, and upon completion of the Global Offering, the Group intends to also finance its capital requirements through the net proceeds from the Global Offering, and other future equity or debt financings. The Group's cash requirements are mainly used for daily operations, repayment of maturing liabilities, capital expenditures, payment of interest and dividends, and other unexpected cash needs. The Group adopts a prudent financial management policy, maintaining sufficient and appropriate funds to meet its operational needs.

As of December 31, 2025, the Group's cash and cash equivalents, restricted bank deposits and time deposits amounted to RMB9.3 billion. Cash and cash equivalents include demand deposits with original maturity less than three months for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.01% to 3.52% per annum as at December 31, 2025. Restricted bank deposits primarily represent deposits held in designated bank accounts for unconditional and irrevocable letters of guarantee, which carry interest at market rates range from 0.05% to 1.10% per annum as at December 31, 2025. Time deposits are with original maturity of over 3 months, which carry interest at market rates ranging from 1.20% to 4.72% per annum as at December 31, 2025.

	As of December 31,	
	2025	2024
	(RMB'000)	
Cash and cash equivalents	**2,740,733**	3,328,162
Restricted bank deposits	**10,255**	9,025
Time deposits	**6,518,456**	6,361,053
Total	**9,269,444**	9,698,240

The Group's liquidity position as of December 31, 2025 increased as compared to December 31, 2024 as a result of an increment of cashflow from our operating activities, while the decrease in the Company's cash and cash equivalents as of December 31, 2025 as compared to December 31, 2024 resulted from the decrease in current deposit held by the Company in the Reporting Period due to our enhancement of fund management to increase fund efficiency. For further details of the Group's cash flow information during the Reporting Period, please refer to "Cash Flows" in "Financial Review" in this section and note 22 to the consolidated financial statements in this Report.

Borrowings

During the Reporting Period, we utilized short-term borrowings with favorable interest rates to supplement our working capital. In particular, we manage our liquidity by utilizing lower-cost short-term borrowings to improve capital efficiency through allocating surplus funds into time deposits and other low-risk wealth management products. The short-term borrowings carried interest rates generally lower than prevailing market average lending rates, thereby reducing our overall financing costs and improving capital efficiency. We believe that our current financial management practices, including the use of short-term borrowings, are in the best interests of our stakeholders and are aligned with our operational needs.

	As of December 31,	
	2025	2024
	(RMB'000)	
Borrowings	**6,630,230**	6,551,337
— Current portion[Note]	**6,630,230**	6,551,337
— Non—current portion[Note]	**–**	–
— Secured portion	**–**	–
— Non—secured portion	**6,630,230**	6,551,337
— Fixed—rate borrowings	**6,630,230**	6,551,337
— Variable—rate borrowings	**–**	–

Note: Current portion of the borrowings of the Group represents those repayable within one year.

The Group's borrowings as of December 31, 2025 were sourced from commercial banks and financial institutions in the Mainland China and were mainly denominated in RMB with no significant seasonal demand. The effective interest rate (which also equalled the contracted interest rates) of the Group's borrowings as of December 31, 2025 ranged from 0.64% to 1.40%. The Company expects that there will be no material changes in the financing available to support its operations in the future.

To manage the liquidity risk associated with such short-term borrowings, we adopt a prudent approach that combines disciplined cash flow planning, strong banking relationships, and active liquidity monitoring. We ensure that all short-term borrowings are arranged with clear repayment terms and are matched with sufficient liquidity reserves, such that repayment obligations can be met without impacting our operational funding needs. We closely monitor our cash position and debt maturity profile and maintain adequate levels of highly liquid assets, which can be readily accessed when needed. In addition, we have implemented a robust internal control framework governing our treasury and investment activities to safeguard our capital adequacy and repayment capability. Liquidity buffers are planned based on forecasted funding needs and are dynamically adjusted in response to changes in business circumstances and market conditions. We also perform periodic stress testing and scenario analysis to evaluate our ability to meet short-term liquidity obligations under different conditions. These measures ensure that our use of short-term borrowings remains prudent and does not create undue liquidity pressure.

As of December 31, 2025, the Group's (1) debt-to-asset ratio (calculated by dividing the total liabilities by total assets) was 64.7%, representing a decrease of 1.4 percentage points from 66.1% as at the end of 2024; and (2) gearing ratio (calculated by total debt (including lease liabilities and interest-bearing debt borrowings) divided by total equity) was 74.9%, representing a decrease of 11.6 percentage points from 86.5% as at the end of 2024. The overall capital structure of the Group remained stable.

Charged assets

As of December 31, 2025, the Group did not have any charges over its assets.

Investments

Capital Commitments

Our capital commitments represent the capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the historical financial information. Our capital commitments increased to RMB1,420.2 million as of December 31, 2025 from RMB1,034.0 million as of December 31, 2024, in line with the expansion in our business and production capacity.

Capital Expenditure

In 2025, our capital expenditures primarily included purchases of property, plant and equipment, purchases of right-of-use assets and purchases of intangible assets. The table below sets forth our cash outflow in respect of capital expenditures for the years indicated:

	For the year ended December 31,	
	2025	2024
	(RMB'000)	
Purchases of property, plant and equipment	**2,253,801**	1,312,359
Purchases of right-of-use assets	**8,478**	364,993
Purchases of intangible assets	**3,878**	12,130
Total	**2,266,157**	1,689,482

The Company's capital expenditure increased to RMB2,266.2 million in 2025 from RMB1,689.5 million in 2024, which was mainly attributable to our continued investment into constructing, expanding and enhancing the Group's business and manufacturing bases. The Company's material capital expenditure investments during the Reporting Period are set out as follows:

Project name	**Planned investment amount** (RMB in million)	**Investment amount in the Reporting Period** (RMB in million)	**Accumulative investment amount** (RMB in million)
Tianjin base construction works	1,212.0	604.2	781.5
Nanning base production capacity expansion works	245.2	109.0	202.5
Chongqing base production capacity expansion works	295.2	55.3	230.2
Kunming base construction works	1,000.0	330.3	366.3
Zengcheng base production capacity expansion works	78.3	33.6	55.9
Zhejiang base production capacity expansion works	348.0	59.6	323.4
Huanan base construction works	952.4	21.0	849.4
Changsha base production capacity expansion works	440.2	37.7	224.2
Production equipment revamp works	332.6	148.3	148.3
Hainan base construction works	1,200.0	49.4	49.4
Huanan base phase 3 warehouse construction works	192.1	39.8	40.9
Zhongshan base construction works	1,080.0	560.2	571.7
Company headquarters construction works	206.4	41.0	138.0
Anhui base warehouse construction works	122.0	29.2	29.2
Total	**7,704.3**	**2,118.6**	**4,010.9**

We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities, and net proceeds from the Global Offering.

Financial assets measured at fair value

Asset type	Opening balance	Gains and losses from changes in fair value in the Reporting Period	Amount purchased in the Reporting Period	Amount sold/ redeemed in the Reporting Period	Other changes	Closing balance
			RMB'0000			
Current financial assets — wealth management products	475,586.0	6,516.2	2,085,849.8	1,935,125.5	-1,882.4	630,944.1
Current financial assets — investments in equity securities	14,134.6	—	—	14,085.7	-48.9	—
Non-current financial assets — wealth management products	10,101.3	323.2	33,000.0	10,101.3	—	33,323.2
Non-current financial assets — private equity funds	27,614.0	12,195.7	—	—	-1,957.3	37,852.4
Total	**527,435.9**	**19,035.1**	**2,118,849.8**	**1,959,312.5**	**-3,888.5**	**702,119.7**

Investments in securities and private equity funds

During the Reporting Period, the Company also held certain investments in securities acquired with its own internal funds:

Initial investment cost	Book value at the beginning of the Reporting Period	Amount sold during the Reporting Period	Investment gains/ (losses) during the Reporting Period	Other changes
		RMB'000		
105,789.5	141,345.6	140,857.0	2,671.0	-488.6

On July 28, 2021, the Company invested RMB300 million of its own funds to subscribe for fund units of the Chongqing Zhaoying Langyao Growth Phase II Equity Investment Fund Partnership (Limited Partnership) (重慶市招贏朗曜成長二期股權投資基金合夥企業(有限合夥)). As of December 31, 2025, the net value held in this product was RMB378.5 million.

Foreign Exchange Risk

The Group collects most of its revenue and incurs most of its expenditures in RMB. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency, which also expose the Group to foreign currency risk. The main intra-group balances are the amounts due from/to Eastroc Beverage (HongKong) Co., Limited. Some subsidiaries have foreign currencies included in cash and cash equivalents and financial assets at FVTPL, which expose them to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

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

Off-Balance Sheet Arrangements

As of 31 December 2025, the Company had no material off-balance sheet arrangements.

Significant Investments, Acquisitions and Disposals

Save as disclosed in this Report, the Group did not make any significant investments, acquisitions and disposals of equity interests in subsidiaries or investee companies, or any significant investments and disposals of non-equity assets for the year ended December 31, 2025.

Future Plans for Significant Investments and Capital Assets

Save as disclosed in this Report, as of December 31, 2025, the Group did not have any significant investment and capital asset plans.

Proceeds from the Global Offering

In order to further enhance the Group's capital strength and overall competitiveness, boost its international brand profile and image, satisfy its international business development needs, and continue advancing its global strategy, the Company completed the global offering of its H Shares and was successfully listed on the Main Board of the Hong Kong Stock Exchange on February 3, 2026. A total of 40,889,900 H Shares with a par value of RMB1 per Share were successfully placed and issued at a price of HK$248.00 per share in the Company's global offering. Subsequently, on March 4, 2026, the Company further issued an additional 3,865,800 H Shares with a par value of RMB1.00 per share at a price of HK$248.00 per share pursuant to the over-allotment option. After deducting underwriting commissions and other expenses related to the Company's global offering, the net proceeds from the share issuance were approximately HK$10,943.4million, equivalent to approximately RMB10,240.8 million at the exchange rate of HK$1.00 to RMB0.9358.

The proceeds from the Company's global offering shall be utilized in accordance with the planned uses and proportions as stated in the Company's prospectus dated January 26, 2026. The details are set out in the table below, and there have been no changes to the intended use of proceeds as disclosed in the Prospectus:

Planned use	Planned use of proceeds %	Planned use of proceeds Amount RMB million	Expected timeline for utilization of net proceeds
Enhancing our production capacity and upgrading our supply chain	36.0	3,686.7	On or before the end of 2031
Enhancing our brand building and consumer engagement to continuously strengthen our brand influence	15.0	1,536.1	On or before the end of 2031
Advancing our nationwide expansion strategy, strengthening, deepening, and refining our channel network	11.0	1,126.5	On or before the end of 2031
Overseas business expansion and potential investments and acquisitions	12.0	1,228.9	On or before the end of 2031
Advancing our digitalization capabilities across full cycle of our business	10.0	1,024.1	On or before the end of 2031
Enhancing our product development capabilities and expanding our product portfolio	6.0	614.4	On or before the end of 2031
Working capital and general corporate purposes	10.0	1,024.1	On or before the end of 2031
Total	**100.0**	**10,240.8**	

EXECUTIVE DIRECTORS

Mr. LIN Muqin (林木勤)

Mr. LIN Muqin (林木勤), aged 61, is the chairman of the Board, an executive Director and the chief executive officer of our Company and is primarily responsible for managing the operations of the Board, strategic planning of our Group's development, presiding over the work of the Board and business direction, business planning and decision-making of our Group. Mr. Lin was appointed as a Director of our Company (including its predecessor) in October 2003 and was re-designated as an executive Director in April 2025. Mr. Lin is a Controlling Shareholder of our Company.

Mr. Lin has more than 30 years of working and management experience in the beverage industry. Prior to joining our Group, Mr. Lin served as a technical department manager at Shenzhen Aolin Natural Beverage Co., Ltd. (深圳奧林天然飲料有限公司) from April 1988 to March 1997.

Mr. Lin was the deputy general manager of Eastroc Industrial, our predecessor, from March 1997 to October 2003. Mr. Lin was the chairman and general manager of Eastroc Limited, our predecessor and subsequently, our Company, between October 2003 and April 2019, and has been the chairman of our Board and our chief executive officer since April 2019. Mr. Lin also held other roles in certain of our subsidiaries, including as an executive director of Guangdong Eastroc Vitamin Beverage Co., Ltd. (廣東東鵬維他命飲料有限公司) since November 2011, an executive director of Anhui Eastroc Food & Beverage Co., Ltd. (安徽東鵬食品飲料有限公司) since August 2012, an executive director and general manager of Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd. (深圳市東鵬捷迅供應鏈管理有限公司) since April 2019, an executive director of Guangdong Dongpeng Beverage Co., Ltd. (廣東東鵬飲料有限公司) since December 2021 and a director of Eastroc Beverage (HongKong) since July 2023. Mr. Lin has been serving as the executive director and general manager of Zhenchanghui Investment (Shenzhen) Co., Ltd. (臻昌匯投資(深圳)有限公司) since May 2023.

Mr. Lin received his master's degree in business administration from Sun Yat-sen University (中山大學) in the PRC in December 2011 and his doctorate degree in business administration from University of Minnesota in the United States in August 2024. Mr. Lin has been consecutively named to Forbes China's Best CEOs List in 2023 and 2024. Mr. Lin has also been appointed as a vice chairman of China Beverage Industry Association (中國飲料工業協會), a vice president of Guangdong Food Industry Association (廣東省食品行業協會), executive vice president of Shenzhen Xinming Entrepreneurs Association (深圳新明企業家協會) and vice president of Shenzhen Time-honored Brands Association (深圳市老字號協會).

Mr. LIN Mugang (林木港)

Mr. LIN Mugang (林木港), aged 56, is an executive Director and the executive president of our Company and is primarily responsible for strategic marketing planning and operational management of our Group and overall management of the South China region. Mr. Lin Mugang was appointed as a Director of our Company (including its predecessor) in October 2003 and was re-designated as an executive Director in April 2025.

Mr. Lin Mugang has more than 24 years of working and management experience in the beverage industry. After joining our Group in March 2001, Mr. Lin Mugang consecutively served as a manager, deputy general manager, general manager, vice president of the Company (including its predecessor). Mr. Lin Mugang is also currently serving in various management positions in certain of our major subsidiaries, including as a supervisor of Guangzhou Eastroc Food and Beverage Co., Ltd. (廣州市東鵬食品飲料有限公司) since April 2006, executive director of Eastroc Beverage Marketing (Shanghai) Co., Ltd (東鵬飲料市場營銷(上海)有限公司) since June 2020, executive director and general manager of Eastroc Beverage Marketing (Tianjin) Co., Ltd (東鵬飲料市場營銷(天津)有限公司) since January 2024, and executive director and general manager of Eastroc Beverage Marketing (Zhejiang) Co., Ltd (東鵬飲料市場營銷(浙江)有限公司) since January 2024.

Mr. Lin Mugang graduated from Peking University (北京大學) in the PRC with his master's degree in business administration in July 2016.

Mr. LU Yifu (盧義富)

Mr. LU Yifu (盧義富), aged 53, is an executive Director and vice president of our Company and is primarily responsible for operational management of our Group and overall management of the Central China region. Mr. Lu was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

Mr. Lu has around 20 years of experience in the beverage industry. Prior to joining our Group, from July 2006 to August 2017, he served as a branch general manager at JDB Group (加多寶(中國)飲料有限公司) where he was primarily responsible for the sales work of the branch. From August 2017 to July 2018. Mr. Lu served as a general manager of the marketing department at Xiangpiaopiao Food Co., Ltd. (香飄飄食品股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603711), where he was primarily responsible for sales management work.

Mr. Lu joined our Group in September 2018 as our vice president and general manager of the national marketing headquarter of the Company. Mr. Lu is also currently serving in various roles in several subsidiaries of our Group currently, including as a supervisor of Eastroc Beverage Marketing (Shanghai) Co., Ltd. (東鵬飲料市場營銷(上海)有限公司) since June 2020, a supervisor of Eastroc Beverage Marketing (Guangdong) Co., Ltd. (東鵬飲料營銷(廣東)有限公司) since November 2022, a supervisor of Shenzhen Dongpeng Beverage Sales Management Co., Ltd. (深圳市東鵬飲料銷售管理有限公司) since July 2023, a supervisor of Eastroc Beverage Marketing (Tianjin) Co., Ltd.(東鵬飲料市場營銷(天津)有限公司) since January 2024 and a supervisor of Eastroc Beverage Marketing (Zhejiang) Co., Ltd. (東鵬飲料市場營銷(浙江)有限公司) since January 2024.

Mr. Lu is received his executive master of business administration (EMBA) degree from China Europe International Business School (中歐國際工商學院) in the PRC in September 2025. Mr. Lu graduated from Xiangtan University (湘潭大學) in the PRC with a specialization in chemical engineering in 1995. Mr. Lu was granted intermediate economist by Beijing Municipal Bureau of Human Resources and Social Security (北京市人力資源和社會保障局) in November 2013.

Ms. JIANG Weiwei (蔣薇薇)

Ms. JIANG Weiwei (蔣薇薇), aged 45, is an executive Director and vice president of our Company and is primarily responsible for the planning and execution of branding and marketing strategy management of our Group, as well as the management of product development planning. Ms. Jiang was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

From January 2012 to June 2015, Ms. Jiang served as a deputy general manager at Guangzhou branch of Charm Communications Inc. (昌榮傳媒股份有限公司).

Ms. Jiang joined our Group in September 2017 as a brand center manager and deputy general manager at Eastroc Limited. She has been our vice president and general manager of the development center of the Company since April 2019.

Ms. Jiang graduated from Anhui University (安徽大學) in the PRC with a major in journalism in June 2002.

Mr. ZHANG Lei (張磊)

Mr. ZHANG Lei (張磊), aged 48, is an executive Director, vice president and the joint company secretary of our Company and is primarily responsible for overall management of the Group's digitalization construction centre. Mr. Zhang was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

Prior to joining our Group, from November 2005 to October 2014, Mr. Zhang served as a chief information officer and secretary of the board consecutively at Shenzhen Jieshun Science and Technology Industry Co., Ltd. (深圳市捷順科技實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002609), primarily responsible for the planning and implementation of enterprise informatization, governance-related management of the board and investment and finance management. Mr. Zhang was also the founding partner and general manager at Shenzhen Qianhai Daying Capital Management Co., Ltd. (深圳前海大營資本管理有限公司) until March 2020. From March 2020 to December 2021, Mr. Zhang served as the founding partner and executive director at Shenzhen Qianhai Huijinsuo Capital Management Co., Ltd. (深圳前海匯金所資本管理有限公司). From January 2022 to July 2023, Mr. Zhang served various roles at Eternal Asia Supply Chain Management Ltd. (深圳市怡亞通供應鏈股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002183), including as the secretary of the board, primarily responsible for board governance and the management of capital operations and investments.

Mr. Zhang joined our Group in December 2023 as the special assistant to the chairman of the Board.

Mr. Zhang received his master's degree in business administration from Sichuan University (四川大學) in the PRC in December 2011 and his doctorate degree in communication studies from Wuhan University (武漢大學) in the PRC in December 2024.

Mr. LIN Daiji (林戴吉)

Mr. LIN Daiji (林戴吉), aged 39, is an executive Director (employee representative Director) of our Company and is primarily responsible for daily fund management of our Group, execution of bank financing activities and internal audit supervision. Mr. Lin Daiji has been an employee representative Director since February 2024 and was re-designated as an executive Director in April 2025.

After Mr. Lin Daiji joined our Group in January 2019, he has served various positions within our Group, including as deputy manager of the internal audit department, deputy manager and manager of the fund management department.

Mr. Lin Daiji graduated from Guangdong University of Finance and Economics (廣東財經大學) in the PRC with a major in accounting in January 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. ZHAO Yali (趙亞利)

Ms. ZHAO Yali (趙亞利), aged 67, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Ms. Zhao was appointed as an independent Director in February 2024 and was re-designated as an independent non-executive Director in April 2025.

Ms. Zhao has more than 30 years of working and management experience in the beverage industry. Prior to joining our Company, Ms. Zhao was previously a legal representative at Beijing Zhongyin Industry & Trade Co., Ltd. (北京中飲工貿公司). From December 2008 to October 2024, Ms. Zhao was a legal representative at Beijing Zhongyin Tianyuan Exhibition Co., Ltd. (北京中飲天元展覽展示有限公司). Ms. Zhao also served as an independent director of SDIC Zhonglu Fruit Juice Co., Ltd. (國投中魯果汁股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600962) from March 2004 to March 2007 and an independent non-executive director of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司) from September 2006 to January 2019.

Ms. Zhao received her bachelor's degree in light engineering and mechanics from Tianjin University of Science & Technology (天津科技大學) (formerly known as Tianjin Light Technical College (天津輕工學院) in the PRC in January 1982.

Ms. Zhao was qualified as a professor-level senior engineer by China Light Industry International Engineering Design Institute (中國輕工國際工程設計院) in November 2002. From 1993, she has also successively served as the deputy secretary-general, secretary-general, vice chairman, chairman and currently the honorary chairman of the China Beverage Industry Association (中國飲料工業協會). Ms. Zhao also served as a member of the National Food Safety Standards Review Committee (食品安全國家標準審評委員會) from January 2010 to June 2019 and is also currently the chairman of the National Beverage Standardization Technical Committee (全國飲料標準化技術委員會).

In November 2021, Ms. ZHAO Yali, our independent non-executive Director, was criticized by the Stock Exchange in her capacity as a former independent non-executive director of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司) ("**China Huiyuan**") for breach of Rule 3.08(f) of the Hong Kong Listing Rules and her undertakings to the Stock Exchange with respect to China Huiyuan not having adequate and effective internal controls to identify certain connected transactions and to ensure its compliance with relevant Hong Kong Listing Rules requirements. Ms. Zhao was required to complete 24 hours of training on regulatory and legal topics and Hong Kong Listing Rule compliance as a pre-requisite of any future appointment as a director of any company listed or to be listed on the Stock Exchange, and Ms. Zhao has complied with the training requirements imposed by the Stock Exchange.

Ms. YOU Xiao (游曉)

Ms. YOU Xiao (游曉), aged 44, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Ms. You was appointed as an independent Director in October 2020 and was re-designated as an independent non-executive Director in April 2025.

Prior to joining our Company, Ms. You worked at various law firms, including as an associate at Beijing Zhong Lun Law Firm (Shenzhen) (北京市中倫(深圳)律師事務所) from January 2007 to October 2013, a partner at Beijing Dacheng Law Offices, LLP (Shenzhen) (北京大成(深圳)律師事務所) from November 2013 to July 2015 and a senior partner at Shanghai AllBright Law Offices (Shenzhen) (上海市錦天城(深圳)律師事務所) from July 2015 to June 2020. Ms. You also served as an independent director of Dongguan Jingnuo Environment Science and Technology Inc. (東莞市淨諾環境科技股份有限公司) from September 2020 to February 2023.

Ms. You has also been serving as a partner at Beijing Zhong Lun Law Firm (Shenzhen) (北京市中倫(深圳)律師事務所) since June 2020. She has also been serving as an independent director of Sunwoda Electric Vehicle Battery Co., Ltd. (欣旺達動力科技股份有限公司) since June 2023 and an independent director of Shenzhen Honor Electronic Co., Ltd. (深圳歐陸通電子股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300870) since September 2023.

Ms. You received her bachelor's degree in law from Wuhan University (武漢大學) in the PRC in June 2003. Ms. You obtained her PRC Legal Professional Qualification Certificate (中華人民共和國法律職業資格證書) issued by the PRC Ministry of Justice (中華人民共和國司法部) in 2008 and was qualified as an attorney by the Guangdong Justice Bureau of Justice (廣東省司法廳) in 2009.

Mr. LI Hongbin (李洪斌)

Mr. LI Hongbin (李洪斌), aged 61, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Mr. Li was appointed as an independent Director in February 2024 and was re-designated as an independent non-executive Director in April 2025.

Mr. Li has been an associate professor at Sun Yat-sen University (中山大學) in the PRC since June 2000. Mr. Li served as an independent director of Guangzhou Dongling Grain & Oil Co., Ltd. (廣州東凌糧油股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000893) from June 2002 to April 2014 and an independent director of Dongguan Mentech Optical & Magnetic Co., Ltd. (東莞銘普光磁股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002902) from May 2018 to April 2024 and an independent director of Guangzhou Tiancom Information Technology Co., Ltd. (廣州天維信息技術股份有限公司) (a company quoted on the NEEQ, stock code: 837919) from April 2021 to November 2024. Mr. Li has also been serving as an independent director of Shenzhen Sunson Intelligent Equipment Co., Ltd. (深圳市盛世智能裝備股份有限公司) (a company quoted on the NEEQ, stock code: 873564) from April 2022 and an independent director of Guangdong Jinxing Health Care Industry Co., Ltd. (廣東景興健康護理實業股份有限公司) from May 2022.

Mr. Li obtained his bachelor's degree in accounting from Hunan University of Finance and Economics (湖南財經學院) in July 1985 and received his master's degree in accounting from Renmin University of China (中國人民大學) in the PRC in July 1988.

Mr. TAI Kwok Leung, Alexander (戴國良)

Mr. TAI Kwok Leung, Alexander (戴國良), aged 68, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Mr. Tai was appointed as an independent non-executive Director in April 2025.

Mr. Tai has extensive accountancy, corporate finance and investment experience in Hong Kong and overseas. Mr. Tai has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1983 and the Institute of Chartered Accountants of New Zealand since 1982, and is currently licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Mr. Tai was also the Partner of the VMS Securities from August 2017 to September 2023, Mr. Tai was the overall management oversight (OMO) of the regulated activities of the VMS group of companies which involved in securities dealing, corporate finance and asset management until December 2023. Mr. Tai undertook as the Head of Corporate Finance Department of Investec Capital Asia Limited ("**Investec Capital**"), and also acted as a managing director of Investec Capital until July 2017.

Mr. Tai was also an independent non-executive director of various companies, including Honghua Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0196) from January 2008 to March 2014, Luk Fook Holdings (International) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0590) from July 2008 to August 2020, First Credit Finance Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 8215) from September 2010 to April 2013, Anhui Conch Cement Company Limited (a company dually listed on the Hong Kong Stock Exchange, stock code: 0914 and the Shanghai Stock Exchange, stock code: 600585) from May 2013 to May 2019, Jiayuan International Group Limited (in liquidation) (a company previously listed on the Hong Kong Stock Exchange, stock code: 2768) ("**Jiayuan**") from February 2016 to June 2022, Shengjing Bank Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 2066) from August 2018 to October 2024, and AAG Energy Holdings Limited from August 2018 to August 2023. Mr. Tai has been serving as an independent non-executive director of G&M Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 6038) from May 2017, China Star Entertainment Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0326) from January 2023, BExcellent Group Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1775) from July 2024. Mr. Tai has been serving as an executive director of Finet Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 8317) from January 2024 and an independent director of Qingdao Eoroom Intelligent Technology Co., Ltd. (青島有屋智能家居科技股份有限公司) (a company quoted on the NEEQ, stock code: 874535) from June 2020.

Jiayuan is a limited liability company incorporated in Cayman Islands whose principal business concerns property development including residential and commercial complexes. Jiayuan was ordered to be wound up by the High Court of The Hong Kong Special Administrative Region on May 2, 2023. Mr. Tai confirmed that there is no wrongful act on his part leading to the liquidation and is not aware of any actual or potential claim that has been or will be made against him as a result of the liquidation, and that his involvement in Jiayuan was part and parcel of his services as an independent non-executive director of Jiayuan and that no misconduct or misfeasance had been involved in the liquidation of Jiayuan.

Mr. Tai graduated from Victoria University of Wellington in New Zealand with a degree in Bachelor of Commerce and Administration in 1982. He was elected as a member of the 12th session of Shandong Committee of Chinese People's Political Consultative Conference in January 2018, and is still a current member of the 13th session.

SENIOR MANAGEMENT

Mr. LIN Muqin (林木勤), aged 61, is the chairman of the Board, an executive Director and chief executive officer of our Company. Please refer to the section headed "Executive Directors" for details of his biography.

Mr. LIN Mugang (林木港), aged 56, is the executive Director and the executive president of our Company. Please refer to the section headed "Executive Directors" for details of his biography.

Mr. ZHANG Lei (張磊), aged 48, is the executive Director, vice president and our joint company secretary. Please refer to the section headed "Executive Directors" for details of his biography.

Mr. LU Yifu (盧義富), aged 53, is the executive Director and vice president of our Company. Please refer to the section headed "Executive Directors" for details of his biography.

Ms. JIANG Weiwei (蔣薇薇), aged 45, is the executive Director and vice president of our Company. Please refer to the section headed "Executive Directors" for details of her biography.

Mr. PENG Dexin (彭得新)

Mr. PENG Dexin (彭得新) (formerly known as Peng Jixin (彭及新)), aged 49, is the Chief Financial Officer of our Company, primarily responsible for financial planning and management of our Group and is involved in major operational and investment decisions.

After Mr. Peng joined the Group in February 2003, he successively served various positions within the Group, including as finance director of the Company and the deputy finance director of the Group.

Mr. Peng received his executive master of business administration (EMBA) degree from The Chinese University of Hong Kong, Shenzhen (香港中文大學(深圳)) in the PRC in September 2025. Mr. Peng graduated from South China Agricultural University (華南農業大學) in the PRC in July 1996.

Mr. ZHAN Honghui (詹宏輝)

Mr. ZHAN Honghui (詹宏輝), aged 33, is the secretary of the Board and deputy general manager of financial accounting center of the Company and is primarily responsible for Board related matters, providing support and assistance to meetings of the Board and Shareholders and overseeing the information disclosure matters of our Group. Mr. Zhan was appointed as the secretary of the Board in December 2025.

Mr. Zhan joined our Group in April 2022, and subsequently held positions as vice president of finance management department, president of finance management department and deputy general manager of financial accounting centre of our Company, and is currently the secretary of the Board. Prior to joining our Group in April 2022, from September 2014 to May 2016, Mr. Zhan served as an auditor at Shenzhen branch of Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)) where he was primarily responsible for the audit work. From May 2016 to June 2017, Mr. Zhan served as an investment manager at China First Fund Management Co., Ltd. (首控基金管理有限公司)where he was primarily responsible for the investment activities including financial due diligence work. From August 2017 to July 2018, Mr. Zhan served as an investment manager at Shenzhen Gongda Equity Investment Management Co., Ltd. (深圳工大股權投資管理有限公司) where he was primarily responsible for the investment activities including financial due diligence work. From August 2018 to April 2022, Mr. Zhan served as an audit manager at Shenzhen branch of PwC Zhongtian Certified Public Accountants LLP (普華永道中天會計師事務所(特殊普通合夥)) where he was primarily responsible for the audit work.

Mr. Zhan obtained his bachelor's degree in accounting from Jinan University (暨南大學) in June 2014 and received his master's degree in business administration from Peking University (北京大學) in the PRC in July 2025. Mr. Zhan was qualified as a fellow of the Chartered Association of Certified Accountants in the United Kingdom in November 2017 and was qualified as a certified public accountant in the PRC in December 2018.

The Board is pleased to present the Corporate Governance Report contained in the Company's annual report for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Board recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to formulating and implementing corporate governance practices appropriate to the Company's needs. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. During the Reporting Period, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

As the Company's shares were not listed on the Hong Kong Stock Exchange as of December 31, 2025, the CG Code was not applicable to the Company during the year ended December 31, 2025 but has applied to the Company since the Listing Date.

In the opinion of the Board, the Company has complied with all applicable principles of good corporate governance and code provisions of the CG Code from the Listing Date to the date of this Report, save and except in respect of code provision C.2.1 of Part 2 of the CG Code, which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Chairman and Chief Executive

Provision C.2.1 of Part 2 of the Corporate Governance Code stipulates that the role of chairman and chief executive should be separated and should not be performed by the same individual.

Mr. Lin Muqin is the chairman of the Board and chief executive officer of the Company. Since Mr. Lin has been operating and managing the Company since 2003 and due to his leadership position within the Group and familiarity with its operation, the Board is of the view that it is in the best interest of the Group to have Mr. Lin taking up both roles for effective management and business development of the Group and Mr. Lin will provide a strong and consistent leadership to the Group. This arrangement ensures a more effective and efficient overall strategic planning of the Group as this structure enables the Company to make and implement decisions effectively. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board including four independent non-executive Directors. Our independent non-executive Directors are able to retain independence in terms of character and judgment and are able to express their views without undue constraint. In addition, our Board also consists of five other executive Directors, namely Mr. Lin Mugang, Mr. Lu Yifu, Ms. Jiang Weiwei, Mr. Zhang Lei and Mr. Lin Daiji, who are familiar with the day-to-day business of our Company. Our Company will consult our Board for any major decisions. Therefore, the Board considers that the balance of power and authority of the present arrangement will not be impaired because such arrangement would not result in excessive concentration of power in one individual which could adversely affect the interest of minority Shareholders. As such, our Board is of the view that the deviation from provision C.2.1 of Part 2 of the Corporate Governance Code is appropriate in such circumstance.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code. Key corporate governance principles and practices of the Company are summarized below.

BOARD OF DIRECTORS

Responsibilities, Accountabilities and Contributions of the Board

The Board is responsible for the leadership and overall governance of the Company and is collectively accountable for promoting the long-term sustainable success of the Company. The Board provides strategic direction and oversight, ensures effective corporate governance, and maintains an appropriate balance between entrepreneurial leadership and prudent control.

Having regard to the nature of the Company's business and its stage of development, the Board focuses on strategic oversight in areas including brand development, product portfolio enhancement, nationwide distribution and operational efficiency, while ensuring that appropriate risk management and internal control systems are in place to support sustainable growth. The Board also places a strong emphasis on corporate governance as one of the Company's key corporate values.

The principal responsibilities of the Board include, among others, reviewing and approving the Company's long-term strategies and major business plans; approving significant investments, capital expenditures and other material transactions; overseeing the effectiveness of risk management and internal control systems; reviewing financial reporting and ensuring the integrity, accuracy and timeliness of disclosures; establishing and maintaining an effective corporate governance framework; and appointing, supervising and evaluating senior management.

The Board discharges its responsibilities with the support of its committees. In particular, the Audit Committee assists the Board in overseeing matters relating to financial reporting, internal controls and risk management. The Board has also established specialised committees, including the Strategy and ESG Committee, to assist in overseeing long-term strategy execution and sustainable development matters.

The Board has delegated a schedule of responsibilities to the management for implementing the strategies approved by the Board and for managing the day-to-day operations of the Company. Notwithstanding such delegation, the Board retains overall responsibility and oversight over strategic direction, material matters, corporate governance, risk management and internal control systems and reviews the delegated functions and work tasks regularly.

If a Director or senior management member has a potential material conflict of interest in a matter to be considered by the Board (other than their appointments), the nature and extent of such conflict shall be reported to the Board as soon as possible. Where a director is required to abstain from voting, a Board meeting can be held with the attendance of more than half of the non-related Directors, and a resolution must be passed by a majority of the non-related Directors. If less than three non-related Directors attend the meeting, such resolution cannot be voted on and must be submitted to the shareholders' meeting for consideration.

The Company has arranged appropriate insurance coverage on Directors' liabilities in respect of any legal actions taken against Directors arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Board Composition

The Board currently comprises the following Directors:

Executive Directors	Mr. Lin Muqin *(Chairman)* Mr. Lin Mugang Mr. Lu Yifu Ms. Jiang Weiwei Mr. Zhang Lei Mr. Lin Daiji
Independent Non-executive Directors	Ms. You Xiao Ms. Zhao Yali Mr. Li Hongbin Mr. Tai Kwok Leung, Alexander

The length of tenure of each Director is calculated from the date of him/her assuming office, until the date of expiration of the current term of the Board. As at December 31, 2025, none of the independent non-executive directors had served on the Board for more than nine years.

Mr. Lin Muqin and Mr. Lin Mugang are brothers, and Mr. Lin Daiji is the nephew of Mr. Lin Muqin and Mr. Lin Mugang. Save as disclosed above, to the best knowledge of the Company, there is no other financial, business, family or other material/relevant relationship among the members of the Board or senior management.

During the period from the H Shares Listing Date (being February 3, 2026) and up to the date of the Report, the Board at all times met the requirement of the Hong Kong Listing Rules of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting or related financial management expertise. Each independent non-executive Director has confirmed that he/she does not hold more than six directorships in issuers listed on the Main Board or GEM and is able to devote sufficient time and attention to the affairs of the Company.

The composition of the Board reflects the necessary balance of skills and experience appropriate for the business requirement and objectives of the Group and for the exercise of independent judgement.

The Company has received a written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Hong Kong Listing Rules and the Regulations on Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) for A share listed companies. To the best of the Company's knowledge, the Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

The Company has feasible and effective mechanisms to ensure independent views and input are available to the Board. All Directors have timely access to all relevant information as well as the advice and services of the joint company secretaries and senior management of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board. During the period from the H Shares Listing Date (being, February 3, 2026) and up to the date of the Report, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.

Board Meetings and General Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance. For regular Board meeting and other Board and committee meetings, reasonable notice is generally given. Board papers together with all relevant supporting information are sent to all Directors within a reasonable time before each Board meeting or committee meeting to keep Directors apprised of the latest development and financial position of the Company and to enable them to make decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management normally will attend regular Board meetings and where necessary, other Board and committee meetings, to advise on business development, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. Minutes of Board meetings and committee meetings record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed.

Board meetings and general meetings

During the year of 2025, the Company scheduled and held 6 Board meetings and 2 general meetings. The attendance of individual Directors at the Board meetings and general meetings is set out below:

Members of the Board	Board Meetings	2024 Annual General Meeting held on April 2, 2025	First Extraordinary General Meeting of 2025 held on August 11, 2025
Executive Directors			
Mr. Lin Muqin	6/6	Y	Y
Mr. Lin Mugang	6/6	Y	Y
Mr. Lu Yifu	6/6	Y	Y
Ms. Jiang Weiwei	6/6	Y	Y
Mr. Zhang Lei	6/6	Y	Y
Mr. Lin Daiji	6/6	Y	Y
Independent Non-Executive Directors			
Ms. Zhao Yali	6/6	Y	Y
Ms. You Xiao	6/6	Y	Y
Mr. Li Hongbin	6/6	Y	Y
Mr. Tai Kwok Leung, Alexander[Note]	5/5	N/A	Y

Note: Mr. Tai Kwok Leung, Alexander was appointed as an independent non-executive Director at the 2024 annual general meeting of the Company held on April 2, 2025, and therefore, was not required to and did not attend such Board meeting that took place before April 2, 2025.

From January 1, 2026 onwards, the Board will meet regularly and schedule to meet at least four times every year as when appropriate in accordance with the CG Code, either in person or through electronic means of communication, and the Board committees will schedule to meet in accordance with the CG Code and their respective terms of reference.

BOARD COMMITTEES

The Board has established four Board committees in accordance with the relevant laws and regulations, the Articles of Association, and the code of corporate governance practices under the Hong Kong Listing Rules, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and ESG Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The Board committees have sufficient resources to perform their necessary duties. All Board committees must report their decisions or recommendations to the Board. The terms of reference for Board committees are published on the websites of the Hong Kong Stock Exchange and the Company and are available for shareholders to review.

Audit Committee

As at the date of the Report, the Audit Committee of the Company consists of three independent non-executive Directors, namely, Ms. Zhao Yali, Mr. Li Hongbin and Mr. Tai Kwok Leung, Alexander. Mr. Tai Kwok Leung, Alexander serves as the chairman of the committee and has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The primary duties of the Audit Committee of the Company include (but are not limited to):

1. overseeing and evaluating the work of the external auditors, proposing the appointment, reappointment, change and removal of the external auditors to our Board, approving the remuneration and terms of engagement of the external auditors, addressing issues relating to the resignation or dismissal of external auditor, and reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;

2. guiding and supervising internal audit work and its implementation;

3. reviewing the financial information of our Company, including, monitoring the completeness of annual reports and accounts, half-yearly report and quarterly reports, and reviewing significant financial reporting judgments;

4. overseeing the financial reporting system, risk management and internal control system, and assessing the effectiveness of internal control;

5. coordinating the communication between internal audit department and external audit agency; and

6. dealing with other matters that are involved in relevant laws, regulations, rules, normative documents, the Articles of Association, terms of reference and the Hong Kong Listing Rules of the place where the Company's Shares are listed or that are authorized by the Board.

The Audit Committee held 6 meetings during the year of 2025, reviewed and approved, among others, the Company's 2024 annual report, financial statements and audit report, Audit Committee 2024 work report, the 2024 internal control report, 2024 report on the monitoring of audit work by auditors, the Company's 2025 interim and quarterly reports, the re-engagement of auditors, resolutions relating to the related parties' transaction in normal course of business in 2024 and 2025 and annual cap for related parties' and connected transactions from 2026 to 2028, and 2025 audit plan. The attendance of its members is set out as follows:

Members of the Audit Committee	Number of Committee Meetings Attended/Held
Ms. Zhao Yali	6/6
Mr. Li Hongbin	6/6
Mr. Tai Kwok Leung, Alexander *Note*	5/6

Note: Mr. Tai Kwok Leung, Alexander was appointed as an independent non-executive Director at the 2024 annual general meeting of the Company held on April 2, 2025 and was appointed as the chairman of the Audit Committee on even date, and therefore, was not required to and did not attend such meeting of the Audit Committee that took place before April 2, 2025.

Remuneration and Appraisal Committee

As at the date of the Report, the Remuneration and Appraisal Committee of the Company consists of three Directors, including two independent non-executive Directors, namely Ms. You Xiao and Mr. Li Hongbin, and one executive Director, namely Mr. Lin Muqin. Ms. You Xiao serves as the chairlady of the committee. The primary duties of the Remuneration and Appraisal Committee of the Company include (but not limited to):

1. formulating the remuneration plans or packages for Directors and senior management with reference to time contribution and responsibilities, importance and the level of remuneration payable by other related enterprises or comparable companies and conditions of employment for other position held within the Group;

2. assessing the remuneration policies and system for all Directors and senior management of the Company, and setting up standardized and transparent procedures to formulate remuneration policies and make recommendations to the Board; monitoring the performance of responsibilities by the Company's Director and senior management and appraising their annual performance;

3. determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and such remuneration shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. supervising the implementation of the remuneration plan of the Company;

5. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and

6. dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Association, terms of reference and the Hong Kong Listing Rules of the place where the Company's shares are listed or that are authorized by the Board.

The Remuneration and Appraisal Committee held 2 meetings during the year of 2025, reviewed and approved, among others, confirmation of the 2024 remuneration of directors and senior management of the Company and the proposed remuneration plan for 2025. The attendance of its members is set out as follows:

Members of the Remuneration and Appraisal Committee	Number of Committee Meetings Attended/Held
Ms. You Xiao	2/2
Mr. Lin Muqin	2/2
Mr. Li Hongbin	2/2

Nomination Committee

As at the date of the Report, the Nomination Committee of the Company consists of three Directors, including two independent non-executive Directors, namely Ms. You Xiao and Ms. Zhao Yali, and one executive Director, namely Mr. Lin Muqin. Ms. You Xiao serves as the chairlady of the committee. The primary duties of the Nomination Committee of the Company include (but not limited to):

1. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once every year and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. researching and developing standards and procedures for the election of the Board members and members of the senior management, and making recommendations to the Board;

3. conducting extensive search and providing to the Board suitable candidates for Directors and other members of the senior management and making recommendations to the Board on the selection of individuals nominated for Director and senior management;

4. examining the Board candidates and members of the senior management and making recommendations to the Board;

5. assessing the independence of independent non-executive Directors when identifying and nominating individuals to become independent non-executive directors, demonstrating to the Board whether and why such individuals would be able to devote sufficient time to the Board if he/she will be holding his/her seventh (or more) listed company directorship; and

6. dealing with other matters that are involved in relevant laws, regulations, rules, normative documents, the Articles of Association, terms of reference and the Hong Kong Listing Rules of the place where the Company's shares are listed or that are authorized by the Board.

The Nomination Committee held 2 meetings in 2025, reviewed and approved, among others, the nomination of the independent non-executive Director and Board secretary for the third session of the Board, proposed redesignation of roles of Directors and proposed adjustments to the membership of Board committees. The attendance of its members is set out as follows:

Members of the Nomination Committee	Number of Committee Meetings Attended/Held
Ms. You Xiao	2/2
Mr. Lin Muqin	2/2
Ms. Zhao Yali	2/2

Strategy and ESG Committee

As at the date of the Report, the Strategy and ESG Committee of the Company consists of five Directors, including one independent non-executive Director, namely, Ms. Zhao Yali, and four executive Directors, namely Mr. Lin Muqin, Mr. Lin Mugang, Mr. Lu Yifu and Ms. Jiang Weiwei. Mr. Lin Muqin serves as the chairman of the committee. The primary duties of the Strategy and ESG Committee of the Company include (but not limited to):

1. researching and making recommendations on the Company's long-term development planning, operation targets and development policies;

2. researching and making recommendations on the Company's operation strategies, including but not limited to its product strategies, market strategies, marketing strategies, research and development strategies and talent strategies;

3. researching and making recommendations on the Company's material strategic investment and financing proposals;

4. researching and making recommendations on the Company's material capital operations and asset management projects;

5. researching and making recommendations on other material matters affecting the development of the Company;

6. researching and making recommendations on the Company's ESG strategic planning, expected targets and policy directions, of which ESG strategies include but are not limited to environmental strategies, social strategies, governance strategies and other strategies;

7. reviewing and making recommendations on the annual ESG Report and other information disclosures on sustainable development or ESG;

8. tracking and examining the implementation of the above matters; and

9. dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Association, terms of reference and the Hong Kong Listing Rules of the place where the Company's Shares are listed or that are authorized by the Board.

The Strategy and ESG Committee held 2 meetings during the year of 2025, reviewed and approved, among others, the Company's 2024 ESG report and 2025–2027 strategic plan. The attendance of its members is set out as follows:

Members of the Strategy and ESG Committee	Number of Committee Meetings Attended
Mr. Lin Muqin	2/2
Mr. Lin Mugang	2/2
Mr. Lu Yifu	2/2
Ms. Jiang Weiwei	2/2
Ms. Zhao Yali	2/2

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

Selection and Nomination of Directors and Senior Management

When selecting Directors and senior management of the Company, the Nomination Committee shall actively communicate with the relevant departments of the Company, analyze the Company's need for new Directors and senior management, and compile written proposals in respect thereof, and may search for appropriate candidates for Directors and senior management personnel internally within the Company, its holding company or generally in the open market. The Nomination Committee shall then collect information on the working experience, education, credentials and qualifications of potential candidates and collate a written proposal in respect thereof. Before the Nomination Committee put forward a candidate for nomination, the candidate's consent should be obtained. Upon obtaining the candidate's consent, a meeting of the Nomination Committee shall be convened to review the candidates' profiles in accordance with the needs of the Company, and submit formal proposals and supporting documents to the Board on the nominated candidate a reasonable period of time prior to the election of such new Director or appointment of such new senior management of the Company.

Board Diversity Policy

The Company recognizes and embraces the benefits of having board diversity to enhance the quality of its performance. In order to enhance the effectiveness of the Board, to maintain the high standard of corporate governance and to achieve the goal of a sustainable and balanced development of the Company, the Company adopted the board diversity policy, which sets out the objective and approach to achieve and maintain diversity of the Board.

To achieve sustainable and balanced development, the Company sees increasing board diversity level as a key element in supporting the attainment of its strategic objectives and maintaining its sustainable development. All Board appointments shall be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board of Directors.

The Company is committed to selecting the best candidates as Board members. The Nomination Committee is primarily responsible for identifying individuals who are suitably qualified to serve as Directors. The selection process will be based on a range of diversity criteria, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and term of service. The ultimate decision will be based on strengths and contributions that the selected candidates will bring to the Board of Directors. The composition of the Board of Directors (including gender, age, and tenure) will be disclosed annually in the corporate governance report.

When selecting candidates for independent non-executive Directors, consideration should be given to whether the candidates have sufficient time to fulfil their duties as independent non-executive Directors, their background and qualifications, in order to assess whether they can provide independent opinions to the Board of Directors; and when considering whether independent non-executive Directors shall be re-elected, the contribution of independent non-executive Directors to the Board of Directors during their tenure should be assessed, such as whether independent non-executive Directors can provide independent opinions to the Board of Directors.

The Board has a balanced mix of knowledge and skills, including overall management and strategic development, food and beverage, legal and accounting. The Company has four independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of the Board. The Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations. Taking into account the existing business model and specific needs as well as the diversity of the Board's current composition, the Board and the Nomination Committee considered that the current composition of the Board is sufficiently diverse.

Gender Diversity

Besides, the Company particularly recognizes the importance of gender diversity. It has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but without limitation to the Board and senior management levels. As at December 31, 2025, the Board has three female Directors out of ten Directors, representing 30% of the Board; and one out of seven senior management of the Group (other than Directors) is female, representing 14.3% of the senior management.

The Nomination Committee is responsible for ensuring the diversity of the Board members. As at December 31, 2025, members of the Nomination Committee include two female Directors out of three members in total. As at the same date, the Nomination Committee has reviewed the implementation and effectiveness of the board diversity policy and considers board diversity as an integral part of the director nomination and succession planning process.

Going forward, the Company will continue to work to enhance the gender diversity of the Board when selecting and recommending suitable candidates for Board appointments and will at least have one female Director and will ensure that the female management members will get equal opportunities to develop and perform so as to eventually be equipped to step up as a member of the Board. The Company also intends to promote gender diversity at the mid to senior level so that the Company can maintain a balanced gender ratio at different levels. The Nomination Committee shall examine the board diversity policy on an annual basis to ensure its continued effectiveness and in particular use its efforts to identify and recommend suitable female candidates for the Board's consideration in the future, and the Company will disclose in the corporate governance report about the implementation of the board diversity policy annually.

TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Directors keep abreast of regulatory developments and of the industry, business activities and development of the Company in order to effectively perform their responsibilities.

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules in March 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Hong Kong Listing Rules.

During the Reporting Period and up to the date of this Report, all Directors attended training sessions and were provided with relevant materials for studying and referencing in respect of legal and regulatory updates. The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the Reporting Period and up to the date of this Report is summarized as follows:

Directors	**Type of training received** *Note*
Executive Directors	
Mr. Lin Muqin	A/B
Mr. Lin Mugang	A/B
Mr. Lu Yifu	A/B
Ms. Jiang Weiwei	A/B
Mr. Zhang Lei	A/B
Mr. Lin Daiji	A/B
Independent Non-Executive Directors	
Ms. Zhao Yali	A/B
Ms. You Xiao	A/B
Mr. Li Hongbin	A/B
Mr. Tai Kwok Leung, Alexander	A/B

Notes:

A — Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B — Reading relevant news alerts, newspapers, journals, magazines and relevant publications

The Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings and professional development trainings for the Directors would be arranged whenever necessary. In addition, reading materials relating to the Company's business or Directors' duties and responsibilities, updates on applicable laws, corporate governance, regulations and industry development applicable to the Group are provided to the Directors from time to time for their study and reference. All Directors are encouraged to attend relevant training courses at the Company's expenses. The aforementioned training arrangements aimed to ensure the Directors' appropriate understanding of the business and operations of the Company and full awareness of Directors' responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. During the year ended December 31, 2025 and prior to the H Shares Listing Date, each of the Directors have attended training sessions conducted by the legal adviser of the Company on duties of directors, corporate governance, regulatory updates and on-going obligations of listed companies in Hong Kong. In addition, relevant reading materials have been provided to the Directors for their study and reference.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code regarding Directors' dealings in the securities of the Company. As the Company's shares were not listed on the Stock Exchange as of December 31, 2025, the relevant rules of the Model Code, to which the Directors were subject, were not applicable to the Company during the Reporting Period. Specific enquiry has been made of all the Directors, all Directors have confirmed that they have complied with the provisions of the Model Code during the period from the H Shares Listing Date and up to the date of the Report.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. No incident of non-compliance of the written guidelines by the employees has been noted by the Company.

In case the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Policy for Directors and Senior Management

The remuneration of Directors and senior management is recommended and proposed by the Remuneration and Appraisal Committee to the Board and approved by the Board, and implemented after the deliberation of the Company's general meeting.

According to the remuneration management system of Directors and senior management of the Company ("**Remuneration Management System**"), the Company pays fixed allowances to independent non-executive Directors, the specific standards of which shall be subject to the deliberation and approval of the general meeting of the Company.

For non-independent Directors who hold management positions in the Company, their remuneration structure and performance appraisal shall be determined based on the management positions they hold and implemented in accordance with the remuneration management system applicable to senior management. Non-independent Directors who do not hold management positions in the Company shall not be entitled to any remuneration or Directors' allowance.

The remuneration of senior management shall comprise base remuneration, performance-based remuneration, and medium-to long-term incentive income, among others. In principle, performance-based remuneration shall account for no less than 50% of the aggregate amount of base remuneration and performance-based remuneration. Base remuneration shall be determined based on the management position held by the relevant individual in the Company, taking into account factors such as position, responsibilities, capabilities, and prevailing market salary levels, and shall be paid on a monthly basis. Performance-based remuneration shall be linked to the Company's operating performance and the results of individual performance evaluations, shall be assessed and paid on an annual basis, and shall be subject to deferred payment in accordance with applicable regulations.

Details of the remuneration by band of the senior management of the Company for the year ended December 31, 2025 are as follows:

Remuneration band *(RMB)*	**Number of individuals**
0 to 2,000,000	0
2,000,000 to 3,000,000	1
3,000,000 to 5,000,000	4
5,000,000 to 6,000,000	1

For further details of the remuneration of each Director and the five highest paid employees of the Group for the Reporting Period, please refer to notes 11 and 12 to the consolidated financial statements contained in this Report.

For the year ended December 31, 2025, no emolument was paid by our Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office. For the year ended December 31, 2025, none of the Directors has waived or agreed to waive any emoluments.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the Company's finance department.

The Directors have prepared the consolidated financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The consolidated financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, operating performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

The statement of the external auditor of the Company about their reporting responsibilities for the Company's consolidated financial statements for the year ended December 31, 2025 is set out in the Independent Auditor's Report of this annual report.

External Auditors and Auditors' Remuneration

Since the H Shares Listing Date, the Company has not changed its overseas auditor. The Company has appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the Company's domestic and overseas auditors, respectively for the year 2025.

The remuneration paid/payable to the Group's external auditor in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Nature of services	Remuneration RMB'000
Audit Service	3,300
Non-audit services	—
TOTAL	3,300

The audit services comprise of the audit of the consolidated financial statements for the year 2025 and the audit-related services conducted by the Company's domestic and overseas auditors for the Company.

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Zhang Lei ("**Mr. Zhang**"), the executive director and vice president of the Company, and Ms. Lin Sio Ngo ("**Ms. Lin**"), a manager of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services, as the Company's joint company secretaries. Mr. Zhang was designated as the primary contact person at the Company who would work and communicate with Ms. Lin on the Company's corporate governance, and secretarial and other administrative matters.

During the Reporting Period, Ms. Lin has taken not less than 15 hours of relevant professional training and complies with the requirement under Rule 3.29 of the Hong Kong Listing Rules. Considering the H Shares have only been listed on the Main Board of the Stock Exchange since February 3, 2026, Mr. Zhang will comply with the requirement under Rule 3.29 of the Hong Kong Listing Rules for the year ending December 31, 2026.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and the Board's practices and related matters.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management System and Process

The Board acknowledges its responsibility for the risk management and internal control systems and fully recognizes the value and importance of sufficient risk management and internal control systems. The Company has established the risk management system and internal control system, which are designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives, and can only provide reasonable instead of absolute assurance against material misstatement or loss. The Group established risk management and internal control systems tailored to our business needs, incorporating policies and procedures aimed at ensuring legal compliance, intellectual property protection, information technology security, human resource management, financial reporting accuracy, and overall internal governance. These systems are subject to ongoing refinement to align with our operational demands.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and overseeing the establishment and periodic review of the Company's appropriate and effective risk management and internal control mechanisms. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. At the same time, our senior management monitors their effective daily execution across subsidiaries and functional departments. The head of each functional department, business unit and subsidiary are responsible for the related risk control in their responsible segments.

The Company's key risk management and internal control systems implemented in respect of certain key areas of the Company's operations, corporate governance and legal compliance are summarized as follows:

- ***Information Disclosure:*** The Company has developed an Information Disclosure Management System to ensure that all material undisclosed information is disclosed to the market through designated channels in a timely manner through standardized procedures. Under the system, the Company is required to disclose to the public any inside information as soon as reasonably practicable after it becomes aware of it or is likely to create a false market. From the Listing Date and up to the date of this Report, the Company has disclosed information in strict compliance with the requirements of the laws and regulations including the Hong Kong Listing Rules without any false statements, misleading statements or material omissions, to ensure investors will be able to receive the disclosed information fairly, timely and effectively.

- ***Legal and Compliance:*** To manage compliance and legal risks, we adopted internal procedures, ensuring our operations align with applicable laws and regulations. Our in-house legal team reviews and updates the form of contracts we enter with clients, suppliers, and business partners. Our in-house legal team's responsibilities encompass legal assistance for major projects, disputes resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries' compliance. Their daily tasks include reviewing business processes and contracts and analyzing daily legal queries. In addition, our legal team is responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operation. We also continuously improve our internal policies according to changes in laws, regulations, and industry standards, and update internal templates for legal documents.

- ***Information System:*** We have implemented relevant internal procedures and controls to ensure that our data is protected, and that leakage and loss of such data are avoided. We have implemented comprehensive internal policies on protecting data privacy and security. We also engage external counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations.

- ***Financial Reporting:*** We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, expenses management policies and treasury management policies. We have various procedures in place to implement accounting policies, and our finance management department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

- ***Human Resources:*** We have established human resources policies covering recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new joiners and provide induction training and periodic trainings in relation to various compliance aspects. In addition, we provide regular and specialized training tailored to the needs of our employees in different departments. Our human resource department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Through these trainings, we ensure that our staff's skill sets remain up to date, enabling them to better discover and meet consumers' needs.

Assessment of Effectiveness of the Risk Management and Internal Control Systems

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects, including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department. The management of the Company has reported to the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The internal audit department is responsible for performing independent reviews of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviews the Company's risk management and internal controls annually, and conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025. Having considered confirmations received from the relevant responsible departments, including the Company's management and the relevant committees of the Board, the Board considered that such systems are effective and adequate. No material internal control deficiencies were identified during the Reporting Period. No significant control failings or weaknesses were identified that required remediation. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING MECHANISM

The Company has adopted relevant policies and mechanisms to uphold integrity and ethical standards, ensuring a transparent and secure working environment.

- ***Anti-corruption Policies:*** the Company integrates anti-corruption management into its daily operations through anti-corruption risk assessments, audits, and educational initiatives. These efforts continuously strengthen the Company's capacity to control business ethics related to anti-corruption and anti-bribery. In particular, the Company has established its Anti-corruption and Anti-fraud Management System (《反腐敗反舞弊管理制度》), which clearly defines the identification standards for misconduct including fraud, corruption and commercial bribery, and sets out a full-process management mechanism covering whistleblowing acceptance, investigation and evidence collection and accountability. During the Reporting Period, the Company revised its Employees' Handbook (《員工手冊》) and Disciplinary Sanctions Management Policy (《紀律處分管理制度》), further refining disciplinary measures to prevent misconduct such as misappropriation of position and commercial bribery and to clearly define employee codes of conduct and the Company's internal rules and regulations.

- ***Whistleblowing Mechanisms:*** Employees of the Company at all levels and external parties who have direct or indirect business relationships with the Company may report, on a named or anonymous basis, actual or suspected fraud cases involving the Company or its personnel through whistleblowing channels such as a dedicated hotline, email or written correspondence. Such reports may relate to potential misconduct and/or irregularities in areas including financial reporting, internal controls or other matters, as well as complaints or reports concerning breaches of professional ethics by the Company or its personnel. Employees at all levels may also raise concerns, on an anonymous basis, to the Audit Committee of the Board in respect of potential improper conduct relating to financial reporting, internal controls or other matters. Upon approval by the Board, the Board office shall issue the investigation findings and handling results of reported cases to employees and relevant parties.

During the year ended December 31, 2025, the Company held anti-corruption training and briefings for employees and certain key stakeholders and carried out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery. In particular, the Company organized six dedicated integrity and compliance briefing sessions in 2025, reaching thousands of distributor representatives, suppliers and employees in key positions, which training content focused on applicable laws and regulations, industry cases and the Company's compliance policies, effectively promoting integrity awareness throughout the entire business value chain.

SHAREHOLDERS AND INVESTORS RELATIONS

The Company believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions. The Company has in place Investors' Relations Management Policy to ensure that Shareholders' views and concerns are appropriately addressed. During the period from the H Shares Listing Date and up to the date of the Report, the Company has reviewed the Investors' Relations Management Policy and considered that the policy was effectively implemented with the measures as disclosed above.

The Company has established a number of channels for maintaining ongoing dialogue with its Shareholders as follows:

- ***Corporate Website:*** The Company maintains a website at **www.szeastroc.com** as a communication platform with shareholders and investors, where information and updates on the Group's business operations, developments and financial information are available for public access.

- ***Corporate Communications:*** "Corporate Communication" as defined under the Hong Kong Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' reports, annual accounts together with the auditor's reports and their summary financial reports, where applicable; (b) the interim reports and summary interim reports, where applicable; (c) the quarterly reports; (d) notices of meeting; (e) listing documents; (f) circulars; and (g) proxy forms. In line with the paperless listing regime of the Stock Exchange, the Company will disseminate its corporate communications in English and Chinese on the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.szeastroc.com**) without disseminating printed form. If any Shareholder or non-registered holders of the Company's Shares would like to receive printed copies, please refer to the notification letter dated February 13, 2026, and the "Shareholder Services" under section "Investor Relation" of the Company's website for the requesting procedure.

- ***Announcements and other documents published pursuant to the Hong Kong Listing Rules:*** The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Hong Kong Stock Exchange's website in a timely manner in accordance with the Hong Kong Listing Rules.

- ***General Meetings:*** The general meetings of the Company provide an opportunity for communication between the Board and the Shareholders. The Company shall provide Shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Hong Kong Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). A notice to Shareholders shall be sent by the Company in writing 21 days (including date of notice) before the annual general meeting and 15 days (including date of notice) before the extraordinary general meeting.

- ***Shareholders' enquiries on shareholdings:*** Shareholders should direct their enquiries about their shareholdings to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, via calling its hotline at +852 2862 8555, or going in person to its public counter at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted of the Company's developments. Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums, etc. will be launched as and when necessary. During the Reporting Period, the Company has held an investor/analyst briefing in July 2025 and a roadshow for its 2025 interim results in August 2025 through online means, in which participants including Shareholder, investors and analysts had the opportunity to enquire with the Company's management on its business operations and development, industry development and financial performance.

SHAREHOLDER RIGHTS AND INVESTORS RELATION

As one of the measures to safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings for each substantially separate issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at general meetings will be voted on by poll pursuant to the Hong Kong Listing Rules and the voting results will be posted on the websites of the Hong Kong Stock Exchange and the Company promptly after the relevant general meetings.

Convening an Extraordinary General Meeting and Putting Forward Proposals at General Meetings

Pursuant to the Articles of Association, Shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights, etc.) have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant Shareholders.

If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, Shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights, etc.) have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant Shareholders.

If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unwilling to convene and preside over the Shareholders' meeting, and Shareholders holding more than 10% of the Company's total issued share capital (excluding the Company's treasury shares) (including preferred shares with restored voting rights, etc.) individually or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or Shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the Shanghai Stock Exchange at the same time.

Before the announcement of the Shareholders' meeting resolution, the shareholding ratio of the convening Shareholders (including preferred shares with restored voting rights, etc.) shall not be less than 10% of the total issued share capital (excluding the Company's treasury shares).

The Audit Committee or convening Shareholders shall submit relevant supporting documents to the Shanghai Stock Exchange when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or by Shareholders on their own, the Board of Directors and the secretary to the Board shall cooperate. The Board of Directors shall provide the register of Shareholders as of the record date. The necessary expenses for the Shareholders' meeting convened by the Audit Committee or Shareholders on their own shall be borne by the Company.

Proposals of General Meetings

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and Shareholders holding more than 1% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights, etc.) individually or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights, etc.) individually or jointly may submit temporary proposals in writing to the convenor 10 days before the Shareholders' meeting. The convenor shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or do not fall within the scope of the authority of the Shareholders' meeting, shall be excluded.

Putting Forward Enquiries to the Board

The Board gives high priority to maintaining balanced, clear, and transparent communications with Shareholders and other investors to facilitate their understanding of the Company's performance and prospects, as well as the market environment in which it operates. We have an ongoing dialogue with Shareholders and other investors through various communication channels and take any areas of concern into consideration when formulating the Group's business strategies.

Shareholders may at any time send their enquiries, requests, proposals, and concerns to the Board in writing through the Company. The contact details of the Company are as follows:

Email: boardoffice@szeastroc.com

Mailing address: 88 Mingliang Science Park, 142 Zhuguang North Road, Taoyuan Community, Nanshan District, Shenzhen, Guangdong Province, PRC

We will respond promptly to shareholders' enquiries and concerns.

DIVIDEND POLICY

On April 15, 2024, upon holistic consideration of the Group's development strategy, competitive landscape, industry development trend, profitability, shareholders' return and other societal and external financing factors, the Board resolved to adopt a proposal relating to returns for Shareholders in the coming three years.

The Company's profit distribution shall emphasize a reasonable return to public shareholders, with the purpose of sustainable development and safeguarding shareholders' rights and interests, maintain the continuity and stability of profit distribution policies, and comply with the relevant provisions of laws and regulations.

Dividends can be distributed in the form of cash, shares, a combination of both or other means permitted by laws and regulations, and distribution of profits by way of cash dividends should be given priority.

After the general meeting of the Company has passed a resolution on the profit distribution plan, or after the Board has formulated a specific plan in accordance with the conditions and upper limit of next year's interim dividends as approved by the annual general meeting, the Company shall complete the distribution of dividends (or shares) within two months.

When the Company convenes an annual general meeting to consider the annual profit distribution plan, it may consider and approve the conditions, maximum proportion and maximum amount of cash dividends for the interim period of the next year. The maximum amount of interim dividend for the next year considered at the annual general meeting shall not exceed the net profit attributable to shareholders of the listed company for the corresponding period. The Board of Directors shall formulate a specific interim dividend plan in accordance with the resolutions of the shareholders' general meeting, subject to the conditions of profit distribution.

Dividends declared/recommended during the Reporting Period

During the Reporting Period, the Board has declared the 2024 final cash dividend of RMB25 per 10 Shares (inclusive of tax), totalling RMB1,300.0 million and the 2025 interim cash dividend of RMB25 per 10 Shares (inclusive of tax), totalling RMB1,300.0 million. Based on the total share capital of the Company as at the record date for the implementation of the 2025 annual profit distribution plan, the Company proposes to distribute a final cash dividend of RMB25.00 per 10 Shares (inclusive of tax) and 3 Shares per 10 Shares through capitalization of its capital reserve (without any issue of bonus shares) to all Shareholders, with an estimated total cash dividend distribution amount of RMB1,411,921,750.0 upon preliminary estimates on the basis of the Company's total issued Shares as of the date of this Report. The final dividend will be denominated and declared in RMB. The holders of A Shares will be paid in RMB and the holders of H Shares will be paid in HKD. This proposal remains subject to consideration and approval at the 2025 AGM of the Company.

Taxation relevant to dividends

For Holders of A shares

In accordance with the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Cai Shui [2015] No. 101)* (《財政部、國家稅務總局、中國證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for shares of listed companies acquired by individuals from public offerings or transfer of shares in the market, where the holding period exceeds one year, the dividends shall be temporarily exempted from individual income tax; where the holding period is more than one month and less than one year (inclusive), the dividends shall be subject to individual income tax at the rate of 10% and where the holding period is less than one month (inclusive), the dividends shall be subject to individual income tax at the rate of 20%. For dividends distributed by listed companies, where the period of individual shareholding is within one year (inclusive), the listed companies shall not withhold the individual income tax temporarily. The tax payable, subject to individual transfer of shares, shall be calculated by China Securities Depository and Clearing Corporation Limited in accordance with the duration of its holding period. Custodian of shares including securities companies will withhold the amount from individual accounts and transfer the tax to China Securities Depository and Clearing Corporation Limited. China Securities Depository and Clearing Corporation Limited shall transfer the tax to the listed companies within 5 working days of the next month, and the listed companies shall declare the tax to the competent tax authorities upon receiving the tax amount within the statutory Reporting Period of that month.

Resident enterprise shareholders of A shares shall report and pay for the enterprise income tax of dividends by themselves.

For the shareholders who are Qualified Foreign Institutional Investor (QFII), the listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice of the State Administration of Taxation Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47)* (《國家稅務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)). QFII shareholders entitled to preferential tax treatment under tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends, and tax rebates will be executed under tax treaties upon verification carried out by competent tax authorities.

For non-PRC resident enterprise shareholders of A shares except the above-mentioned QFII, listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Tentative Measures for Administration of Withholding at the Source of Income Tax of non-PRC Resident Enterprises (Guo Shui Fa [2009] No. 3)* (《非居民企業所得稅源泉扣繳管理暫行辦法》(國稅發[2009]3號)) and the Response of the State Administration of Taxation Concerning Questions on Enterprise Income Tax over Dividend of B-Shares and Other Shares Received by non-PRC Resident Enterprises (Guo Shui Han [2009] No. 394)* (《國家稅務總局關於非居民企業取得 B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)). non-PRC resident enterprise shareholders entitled to preferential tax treatment shall make registration in accordance with the relevant provisions of the tax treaties.

For Shareholders who are investors of the Stock Exchange (including corporates and individuals) holding the Company's Shares through the Shanghai–Hong Kong Stock Connect ("**Shanghai Stock Connect**"), pursuant to the Notice on Tax Policies Related to the Pilot Program of the Shanghai–Hong Kong Stock Market Trading Connect Mechanism (Caishui [2014] No. 81)* (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)), cash dividends will be distributed by the Company in RMB through China Securities Depository and Clearing Corporation Limited, Shanghai Branch, to the accounts of the nominal holders of the Shares. The Company will withhold and remit individual income tax at a rate of 10% on such cash dividends. If any relevant Shareholder believes that the dividend income received is eligible for the benefits of any tax treaty (arrangement) or other preferential tax policies, the Shareholder may apply for such treatment in accordance with the relevant regulations.

For Holders of H shares

Taxation on the Capitalization Issue

According to the relevant provisions of the State Administration of Taxation of the People's Republic of China, the capital reserve capitalization of the Company shall be proceeded by the capital reserve from equity/share premium, which will not be treated as income in the nature of dividends or bonuses for the investors. Therefore, no Chinese taxes will be levied on Capitalization Issue, and the Company will not withhold personal income tax or corporate income tax on behalf of the investors. If Shareholders are in any doubt about the tax arrangements, they may consult their tax advisers for advice on the tax implications in Mainland China, Hong Kong and other countries (regions) of owning and disposing of the relevant Shares.

Taxation on the distribution of cash dividend

In accordance with the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) which came into effect on January 1, 2008 and last amend and came into effect on January 20, 2025 and the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) which was last amended and came into effect on December 29, 2018, and the "Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Nonresident Enterprise Holders of H Shares" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) promulgated on November 6, 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10%, when the Company distributes annual dividend to non-resident enterprise Shareholders whose names appear on the H Shares register of members. As such, any H Shares registered in the name of non-individual Shareholder, including shares registered in the name of HKSCC Nominees Limited, and other nominees, trustees, or other organizations and groups, shall be deemed to be H Shares held by nonresident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the "Notice on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字 [1994]020號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, the Company will not be required to withhold and pay any individual income tax on behalf of overseas individual Shareholders when the Company distributes the dividend to overseas individual Shareholders whose names appear on the H Share register of members.

Shareholders are recommended to consult their tax advisor regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects. The Company assumes no liability whatsoever in respect of any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any disputes over the withholding and payment of tax.

CONSTITUTIONAL DOCUMENTS

The Company has not made any amendments to its Articles of Association since the Listing Date. The latest version of the Articles of Association is posted on the websites of the Company and the Stock Exchange.

The Board is pleased to present this report and the audited financial statements of the Group for the year ended December 31, 2025.

Principal Business

The Group is the largest functional beverage company in China, with the fastest revenue growth among the world's top 20 listed soft beverage companies. Focusing on functional beverages, the Group has established a strong brand recognition closely associated with key consumption scenarios of energy replenishment in consumers' minds. The Group's functional beverage products primarily focus on energy beverages and sports beverages. Building on its strong market position, the Group has also strategically expanded into beverage products with long lifecycles and significant market potential, including tea beverages, coffee beverages, plant-based protein beverages, and fruit and vegetable juice beverages, among others.

During the year ended December 31, 2025, there was no material change in the nature of the principal activities of the Group.

An analysis of the Group's revenue and operating profit for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" on pages 9 to 40 in this Report.

Results and Dividend Distribution

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit of loss and comprehensive income on page 89. Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Group during the year are set out in the section headed "Management Discussion and Analysis" on pages 9 to 40 of this Report.

The Board recommended an interim dividend distribution of RMB25 (including tax) for every 10 A Shares, which was approved by the shareholders' meeting held on August 11, 2025.

Based on the total share capital of the Company as at the record date for the implementation of the 2025 annual profit distribution plan, the Company proposes to distribute a final cash dividend of RMB25 per 10 Shares (inclusive of tax) and 3 Shares per 10 Shares through capitalization of its capital reserve (without any issue of bonus shares) to all Shareholders. This proposal remains subject to consideration and approval at the 2025 AGM of the Company.

The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

For the Company's dividend policy, please refer to the section headed "Corporate Governance Report" on pages 48 to 70 in this Report.

Customers and Suppliers

The Group recognizes the importance of maintaining strong relationships with its customers and is committed to providing products and services that meet their needs. The Group has built a widespread and deeply penetrated sales network capable of reaching its target consumers through omni-channels. It has implemented a solid distributor management and collaboration mechanism to enhance the loyalty of distribution partners. The Group values its customers' feedback and strives for customer satisfaction. It has established dedicated customer service teams primarily responsible for answering customers' queries, coordinating product logistics and delivery, collecting customers' feedback and handling customer complaints.

As for suppliers, the Group has established a comprehensive procurement management system and maintained strong partnerships with leading suppliers in the industry, ensuring a stable supply of high-quality production materials and services. The Group's well-developed Supplier Management Policy includes maintaining an approved supplier list and conducting annual evaluations to ensure its suppliers consistently meet its standards in terms of product quality and pricing.

For the year ended December 31, 2025, the Group's sales to the top five customers accounted for less than 30% of the Group's total sales for the year, and the Group's purchases from the top five suppliers accounted for less than 30% of the Group's total purchases for the year.

Main Risk Factors

Our business involves certain risks, including risks relating to (i) our business and industry; and (ii) doing business in the countries and regions where we operate. Some of the major risks we face include, but are not limited to, the following:

- We may not be able to respond to changing consumer taste, preferences and perceptions effectively. Any failure to successfully develop, launch and promote new products may adversely affect our business development plans and profitability.

- Any failure to maintain, protect and enhance our brand or reputation may adversely affect our business and results of operations.

- We operate in a highly competitive and evolving market. Failure to compete effectively may adversely affect our market share and profitability.

- Any product quality and food safety issues related to our products, or concerns about the safety, quality or health effects of our products could have a material and adverse effect on our reputation, financial condition and results of operations.

- We may incur significant costs in connection with our branding, marketing and promotional efforts. If our marketing activities are not as effective as expected, our results of operations may be adversely impacted.

- We rely on our distribution network to promote and sell our products and generate a vast majority of revenue from our distributors. We may not be able to effectively manage and develop our distribution network, which could adversely affect our brands, operations and results of operations.

- We may not be able to efficiently sustain our business relationships with or manage our key account customers and online sales customers, which could adversely affect our brands, operations and results of operations.

- Fluctuations in the price and availability of raw materials and packaging materials may impact our product pricing, which may adversely affect our business and profitability.

- If we fail to effectively manage our future growth and implement our expansion plans, our business prospects may be adversely affected.

Issued Shares

As of December 31, 2025, the Company issued a total of 520,013,000 ordinary Shares. Details of movements in the share capital of the Company subsequent to the Reporting Period up to the Latest Practicable Date are as follows:

	As of December 31, 2025	Immediately following the completion of the Global Offering			As of the Latest Practicable Date
	Number of Shares	Issuance of new Shares prior to the completion of partial exercise of the over-allotment option	Issuance of new Shares pursuant to partial exercise of the over-allotment option	Total	Number of Shares
A Shares	520,013,000	—	—	—	520,013,000
H Shares	—	40,889,900	3,865,800	44,755,700	44,755,700
Total	520,013,000	40,889,900	3,865,800	44,755,700	564,768,700

Purchase, Sale and Redemption of Listed Securities of the Company

From the Listing Date to the Latest Practicable Date, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As at Latest Practicable Date, there were no treasury shares held by the Company.

Sufficient Public Float

As the H shares of the Company had not been listed on the Main Board of the Hong Kong Stock Exchange as at December 31, 2025, minimum public float requirements under the Hong Kong Listing Rules were not applicable to the Company as at December 31, 2025.

As at the Latest Practicable Date, based on the available information and to the best knowledge of the Directors, the Company's public float complies with the minimum public float requirements under Rule 19A.28B of the Hong Kong Listing Rules.

Share Option and Share Award Scheme

The Company had no share option scheme or share award scheme during the Reporting Period.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the People's Republic of China that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

Reserves

Details of movements in the reserves of the Company and the Group during the year ended December 31, 2025 are set out in the note 28 respectively to the consolidated financial statements.

Principal subsidiaries

Details of the principal activities of the principal subsidiaries of the Company are set out in note 37 to the consolidated financial statements.

Property, Plant and Equipment

Details of the movements during the year ended December 31, 2025 in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

Working Capital, Financial Resources and Capital Structure

Please refer to the analysis on pages 9 to 40 in the "Management Discussion and Analysis" section of this Report.

Loan and Guarantee Provided to Directors, Senior Management, Controlling Shareholders of the Company or their Respective Connected Persons

During the Reporting Period, the Company had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of the Company, the Controlling Shareholders of the Company or their respective connected persons.

Use of Proceeds from the Global Offering

For details of the use of proceeds from the global offering of H Shares, please refer to the section headed "Management Discussion and Analysis" on pages 9 to 40 in this Report.

Compliance with Laws and Regulations

The Board is responsible for the review and supervision of the Company's compliance with policies and procedures in relation to laws and regulatory requirements. The Group's in-house legal team's responsibilities encompass legal assistance for major projects, disputes resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries' compliance. It is also responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operation. The Group continuously improves its internal policies according to changes in laws, regulations, and industry standards, and updates internal templates for legal documents.

During the Reporting Period, the Group had not been involved in any actual or pending legal, arbitration or administrative proceedings that it believed would have a material adverse impact on the Group's business, results of operations, financial condition or reputation and compliance, and the Group has complied, to the best of the Directors' knowledge, with all relevant rules and regulations that have a significant impact on the Company.

Management Contract

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.

Controlling Shareholders' Non-Competition Undertaking

Mr. Lin Muqin has provided a non-competition undertaking to the Company in April 2020. For details of the non-competition undertaking, please refer to our Prospectus dated January 26, 2026.

Contracts and Relationship with Controlling Shareholders

Save for Mr. Lin Muqin's service contract as an Executive Director and save as disclosed in the section headed "Connected Transactions" below in this Report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders during the year ended December 31, 2025.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As the H shares of the Company had not been listed on the Main Board of the Hong Kong Stock Exchange as at December 31, 2025, Divisions 2 and 3 of Part XV and section 336 of the SFO were not applicable to the substantial shareholders of the Company as at December 31, 2025.

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being Directors or chief executives of the Company) had, or were deemed to have, interests or shorts positions in the Shares, underlying Shares or debentures of the Company which would 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 required to be recorded in the register of interests required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholder	Class of Shares	Nature of Interest	Number of Shares interested[1]	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued Shares of the Company[2]
Morgan Stanley[3]	H Shares	Interest in controlled corporation	1,368,294 (L)	3.06%	0.24%
			73,100 (S)	0.16%	0.01%
Morgan Stanley & Co. International plc[3]	H Shares	Beneficial owner	1,320,628 (L)	2.95%	0.23%
			70,785 (S)	0.16%	0.01%
Morgan Stanley & Co. LLC[3]	H Shares	Beneficial owner	47,666 (L)	0.11%	0.01%
Morgan Stanley Capital Services LLC[3]	H Shares	Beneficial owner	2,315 (S)	0.01%	0.0004%
Qatar Investment Authority	H Shares	Interest in controlled corporation	5,957,700 (L)	13.31%	1.05%
UBS Group AG	H Shares	Interest in controlled corporation	2,670,827 (L)	5.97%	0.47%
Temasek Holdings (Private) Limited[4]	H Shares	Interest in controlled corporation	2,705,700 (L)	6.05%	0.48%
Taibai Investments Pte. Ltd.[4]	H Shares	Beneficial owner	2,164,600 (L)	4.84%	0.38%
Temasek Capital (China) Holdings Pte. Ltd.[4]	H Shares	Interest in controlled corporation	2,164,600 (L)	4.84%	0.38%
Mr. Lin Daiqin (林戴欽)	A Shares	Beneficial owner	27,151,626 (L)	5.22%	4.81%
Ruichang Kunpeng Chuangye Investment Partnership LP (Limited Partnership)[5]	A Shares	Beneficial owner	26,319,204 (L)	5.06%	4.66%
Mr. Zhuang Jian'en (莊建恩)[5]	A Shares	Interest in controlled corporation	26,319,204 (L)	5.06%	4.66%
Mr. Lin Yupeng (林煜鵬)[5]	A Shares	Interest in controlled corporation	26,319,204 (L)	5.06%	4.66%

Notes:

(1) The letters "L" and "S" denote the person's long position and short position in the Shares, respectively.

(2) The calculation is based on the total issued shares of the Company of 564,768,700, comprised of 520,013,000 A Shares and 44,755,700 H Shares as at the Latest Practicable Date.

(3) Each of Morgan Stanley & Co. International plc, Morgan Stanley & Co. LLC and Morgan Stanley Capital Services LLC ("**Morgan Stanley Shareholding Entities**") are indirectly wholly-owned subsidiaries of Morgan Stanley. Accordingly, Morgan Stanley, along with its intermediate wholly-owned subsidiaries are deemed interested in the long position of 1,368,294 H Shares and short position of 73,100 H Shares in aggregate held by the Morgan Stanley Shareholding Entities as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, Temasek Holdings (Private) Limited ("**Temasek**") is deemed interested in (i) the 2,164,600 H Shares held by Taibai Investments Pte. Ltd., a wholly owned subsidiary of Temasek Capital (China) Holdings Pte. Ltd., and (ii) the 541,100 H Shares held by True Light Investments H Pte. Ltd.

(5) The general partner of Ruichang Kunpeng Chuangye Investment Partnership LP (Limited Partnership) ("**Kunpeng Investment**") is Mr. Zhuang Jian'en (莊建恩), and Mr. Lin Yupeng (林煜鵬) is a limited partner with 54.05% limited partnership interests. Accordingly, Mr. Zhuang Jian'en and Mr. Lin Yupeng are deemed interested in the 26,319,204 A Shares held by Kunpeng Investment as of the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 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.

Interests and Short Positions of our Directors and Chief Executive of the Company in Shares, Underlying Shares and Debentures of the Company

As the H Shares of the Company had not been listed on the Main Board of the Hong Kong Stock Exchange as at December 31, 2025, Divisions 7 and 8 of Part XV and section 352 of the SFO were not applicable to the Directors or chief executive of the Company as at December 31, 2025.

As of the Latest Practicable Date, the beneficial interests of the Directors of the Company and chief executive in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company under Section 352 of the SFO, or as otherwise 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 they are taken or deemed to have taken under such provisions of the SFO and pursuant to the Model Code, were as follows:

Name of Director and chief executive	Class of Shares	Nature of Interest	Number of Shares interested(1)	Approximate percentage of shareholding in the relevant class of Shares(2)	Approximate percentage of shareholding in the total issued Shares of the Company(2)
Mr. Lin Muqin	A Shares	Beneficial owner	258,657,634	49.74%	45.80%
	A Shares	Interest of controlled corporation	2,171,145(3)	0.42%	0.38%
Mr. Lin Mugang	A Shares	Beneficial Owner	27,151,626	5.22%	4.81%
Ms. Jiang Weiwei	A Shares	Beneficial Owner	520,000	0.10%	0.09%
Mr. Lu Yifu	A Shares	Beneficial Owner	481,000	0.09%	0.09%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total issued shares of the Company of 564,768,700, comprised of 520,013,000 A Shares and 44,755,700 H Shares as at the Latest Practicable Date.

(3) Mr. Lin Muqin (i) directly owns approximately 99.998% partnership interests as a limited partner in Dongpeng Yuandao, which beneficially owns 2,080,034 A Shares; (ii) directly owns approximately 99.89% partnership interests as a limited partner in Dongpeng Zhiyuan, which beneficially owns 65,082 A Shares; (iii) directly owns approximately 99.87% partnership interests as a limited partner in Dongpeng Zhicheng, which beneficially owns 26,029 A Shares. By virtue of the SFO, Mr. Lin is deemed to be interested in the A Shares held by Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng.

Save as disclosed above and so far as is known to the Directors and chief executives of the Company, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were 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 were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors and Senior Management

Information about the details of the Directors and senior management of the Company is set out in the section headed "Directors and Senior Management".

Interests of Directors in Transaction, Arrangement or Contract

The Directors have confirmed that other than the business of the Group and save as otherwise disclosed in this Report, none of the Directors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

Directors' service Contracts

The appointments of Directors are subject to the relevant provisions of the Company's Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

Each of the Directors has entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment include (a) the term of service, (b) subject to termination in accordance with their respective term, and (c) a dispute resolution provision. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time. Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Interests of Controlling Shareholders and Directors in Competing Business

As at December 31, 2025, neither our Controlling Shareholders nor any of our Directors is considered to have interests in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

For the purpose of the listing of our A Shares on the Shanghai Stock Exchange and in order to avoid potential competition with our Group, Mr. LIN Muqin provided a non-competition undertaking in favor of our Company in April 2020. For details of such non-competition undertaking, please refer to our Prospectus dated January 26, 2026.

Rights to Purchase Shares or Debentures of Directors and Chief Executive

Save as disclosed above, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the year or at the end of the year.

Permitted Indemnity Provisions

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices. The Company has maintained appropriate liability insurance for its Directors and senior management.

Employees

Guided by its mission of providing employees with a platform for career development, the Company continues to optimize its remuneration and incentive policies, enabling employees to share in the Company's growth and achievements. Within the marketing system, the Company focuses on incremental performance incentives and explores incentive mechanisms; within the production system, the Company places emphasis on safeguarding production capacity and enhancing per capita productivity; within the functional system, the Company adheres to an overall budget control principle while advancing customized incentive schemes. Through a multi-dimensional remuneration strategy, the Company seeks to fully motivate its employees and unleashes their creativity.

Overview

As of December 31, 2025, we had 12,376 full-time employees, the majority of whom were based in PRC. The following sets out a breakdown of our employees by profession as at December 31, 2025:

Profession	Number of employees
Manufacturing	2,688
Sales	8,106
R&D	150
Financial	126
Management and Administration	1,306
Total	12,376

Equality and Diversity

The Company adheres to a diverse recruitment policy and strictly complies with relevant Chinese laws and regulations. The Company upholds equality by treating all employees without bias based on ethnicity, religion, gender, age, or nationality, ensuring equal rights through consistent processes and standards. The Company implements equal pay for equal work across genders, enforces fair compensation policies, prohibits forced labor, strictly verifies identity documents during recruitment, and prohibit the employment of child labor. The Company continuously optimizes its compensation structure to share the benefits of its growth with employees.

The Company also recognises the importance of diversity in maintaining effective governance and sustainable development, with particular emphasis on gender diversity across all levels of the organisation. The Company has taken, and will continue to take, proactive steps to promote gender diversity at all levels, including but not limited to the Board and senior management. Beyond the Board and senior management, the Company also seeks to promote gender diversity at the mid- to senior-level workforce, with the objective of maintaining a balanced gender mix across different organisational levels.

As at December 31, 2025, female staff accounted for 26.6% of the total number of employees in the Group. For further details, please refer to the 2025 Sustainability Report published by the Company.

Remuneration and Benefits

The Company has conducted comprehensive reviews of its remuneration and benefits framework, including benchmarking studies to analyse prevailing industry compensation levels, thereby providing a sound basis for the formulation of more competitive remuneration and incentive schemes. In parallel, the Company has streamlined payroll calculation processes, enhanced its performance appraisal system, and developed a human resources business intelligence dashboard. Through these initiatives, the Company continues to build a competitive and market-aligned remuneration system, effectively stimulating organisational vitality and creating value for both the Company and its employees. Details of the remuneration of the Directors and the five highest paid individuals are set out in note 11 and note 12 to the consolidated financial statements.

Trainings

Talent is a cornerstone of the Company's high-quality growth. The Company will continue to enhance its organizational structure and talent development systems, establishing a transparent talent selection process and competitive compensation and incentive structures, setting comprehensive training programs and clear career progression paths to maintain the enthusiasm and stability of its core team and create a professional and efficient management system, which lays the foundation for building a global leading beverage group. Upholding its mission to provide a platform for career development, the Company offers employees numerous learning opportunities, encourages innovation, and fosters mutual growth. The Company will refine its systematic training and job rotation mechanisms, enhancing team capabilities through internal knowledge and experience sharing, and promoting proactive learning and self-management among staff, thereby increasing job satisfaction and a sense of belonging.

The Company continues to uphold its mission of "leading corporate culture, supporting organizational strategy, and cultivating top talent (引領企業文化，支撐組織戰略，培養一流人才)" and remains focusing on the growth and development of its employees. In 2025, more than 32,000 hours of training were provided through 25 specialized talent nurturing programs, reaching 52 participant sessions and more than 5,000 employees. Further, more than 170,000 hours of training were provided to the Company's employees through retooling trainings and training sessions initiated by various departments of the Company. These efforts effectively supported the improvement of skills and capabilities of employees across various levels and positions.

Auditors

The consolidated financial statements for the year ended December 31, 2025 have been audited by Deloitte Touche Tohmatsu, who will retire at the forthcoming AGM. A resolution regarding the appointment of an auditor of the Company for the year ending December 31, 2026 will be proposed in the forthcoming AGM.

Continuing Connected Transactions

The Company has in the past conducted certain transactions with an entity that become a connected person of the Company (as defined under Chapter 14A of the Hong Kong Listing Rules) upon Listing. Such transactions continue after Listing and therefore constitute continuing connected transactions under the Hong Kong Listing Rules.

Since H Shares of our Company had not been listed during the year ended December 31, 2025, annual review and reporting requirements under Chapter 14A of the Hong Kong Listing Rules are not applicable to our Company for the year ended December 31, 2025.

Technical Services Procurement Framework Agreement

The Company entered into a framework agreement with Shenzhen Pengzhirui Digital Marketing Co., Ltd.* (深圳鵬智瑞數字營銷有限公司) ("**Pengzhirui**") on January 22, 2026 (the "**Technical Services Procurement Framework Agreement**"), which is valid for a term commencing on January 1, 2026 and ending on December 31, 2028, and subject to renewal for another three years upon parties' mutual agreements. Pengzhirui is an indirect wholly-owned company of Mr. LIN Muqin, the chairman, general manager, an executive Director and a controlling shareholder of the Company, and thus the transaction constituted a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to the Technical Services Procurement Framework Agreement, the Group will procure from Pengzhirui (including its subsidiaries) technical services for the research and development of new modules or new functions of the Group's marketing and sales related information technology systems, and operation and maintenance services relating to such modules and/or systems.

Pricing

The technical service fees charged by Pengzhirui under the transactions subject to the Technical Services Procurement Framework Agreement have been and will be determined on arm's length basis, and are typically charged based on the unit service price in terms of the number of days contributed by relevant technical personnel to the specific project. The technical service fees are determined with references to factors including (i) based on the complexity and the scope of services required for each specific system development and/or upgrade project, estimates in respect of the number of technical personnel involved and the number of days contributed by such technical personnel on such system development and upgrade project; and (ii) the fee quotes for similar services of comparable technical calibre provided by any person or entity who is not a connected person of the Company within the meaning of the Hong Kong Listing Rules ("**Independent Third Party(ies)**") service vendors, and with respect to certain tailor-made systems and modules to be developed by Pengzhirui for the Group where there is limited supply of the same type of services offered by Independent Third Parties in the market, the degree of tailor-made and specifications required of such systems or modules. To ensure that the pricing of the services and goods provided by Pengzhirui is on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, the Company will conduct an assessment process through comparing the pricing and terms of the services and goods offered by Pengzhirui (and/or its subsidiaries) with those offered by other suppliers prior to entering into transactions with Pengzhirui.

Annual cap and actual amount

The transaction amount only began to be incurred between the Group and Pengzhirui in May 2023. The historical amounts of the transactions contemplated under the Technical Services Procurement Framework Agreement were RMB21.2 million, RMB28.0 million and RMB33.7 million for the years ended December 31, 2023, 2024 and 2025, respectively. The annual cap for the year ending December 31, 2026 is RMB50.0 million.

Confirmations

The independent non-executive Directors have reviewed the above continuing connected transaction and confirmed that such transactions were:

(i) entered into in the ordinary and usual course of business of the Group;

(ii) conducted either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

As the Company was not a listed company during the year ended December 31, 2025, the annual review and reporting requirements under Chapter 14A of the Hong Kong Listing Rules are not applicable to the Company for the year ended December 31, 2025. The Company will comply with the relevant requirements under the Hong Kong Listing Rules in its subsequent annual reports.

Waiver application for partially non-exempt continuing connected transactions

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to us under Rule 14A.105 of the Hong Kong Listing Rules from compliance with the announcement requirement in respect of its partially non-exempt continuing connected transactions.

Related Party Transactions

Details of material related party transactions entered into by our Group during the Reporting Period are disclosed in note 31 to the financial statements. Save as disclosed in section headed "Continuing Connected Transactions" of this Report, related party transactions disclosed in note 31 are not deemed as "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 14A of the Hong Kong Listing Rules, or are exempt from the reporting, announcement and Shareholders' approval requirements under the Hong Kong Listing Rules. Our Company had complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

Compliance with the CG Code

Please refer to the section headed "Corporate Governance Report" on pages 48 to 70 in this Report.

Environmental, Social and Governance

While pursuing business success, we actively assume responsibility for environmental, social, and corporate governance (ESG) matters, striving for long-term and sustainable value creation.

In terms of environmental management, the Company actively responds to the national call for "high-quality development" and earnestly practices the concept of green development, integrating ecological civilization into all aspects of corporate operations. During the Reporting Period, the Company continuously carried out actions to address climate change, strengthened water resource utilization and pollution prevention, and consistently improved its environmental protection system while advancing the development of a circular economy. The Company has comprehensively built an environmentally friendly production system and achieved significant results in areas such as energy conservation, emission reduction, and circular economy initiatives.

The Company has continued to expand the use of clean energy by promoting the installation of photovoltaic power generation systems across its production bases nationwide, effectively reducing carbon emission intensity during production and operations. In terms of resource conservation, the Company has achieved a continuous decline in water consumption per ton of product through refined management and technological upgrades. Additionally, it actively selects environmentally friendly and biodegradable packaging materials, simplifies packaging structures to reduce resource consumption at the source, and lowers the environmental impact of its operations. The Company is committed to promoting the harmonious and sustainable development of both the enterprise and the natural environment.

We strictly comply with environmental laws and regulations, striving to minimize the ecological impact of our production and operations. Internally, we have established and refined environmental protection and sustainable development management systems, which guide our production in formulating appropriate environmental management policies and emergency response plans. We have implemented a Health, Safety, and Environment ("**HSE**") management system across our production, integrating the framework and pathways of HSE management into daily environmental practices. This system enables comprehensive management of water resources, energy usage, and waste emissions, enhancing overall environmental performance and evaluation.

In terms of social contribution, the Company adheres to the public welfare philosophy of "Empowering Love with Greater Energy," and continues to make a profound impact in areas such as healthcare, educational assistance, rural revitalization and emergency disaster relief, delivering warmth to society through various forms of charitable activities. In terms of healthcare support, the Company has long supported the "Han Hong Charity 'Hundred People Medical Aid' (韓紅愛心"百人醫療援助")" initiative. In 2025, the Company donated and helped establish two vision restoration centers in Xinjiang, donated 20 ambulances, and organized 10 free clinics, promoting the extension of quality medical resources to underserved areas. Meanwhile, the Company continues to advance its public welfare project for "Depression Intervention," building a patient-centric social support system.

In the field of educational assistance, for two consecutive years, the Company has partnered with the China Staff Development Foundation to promote the "Truck Drivers' Children Scholarship Program," and in 2025, it sponsored over 200 children of truck drivers in achieving their college dreams. In addition, the Company continues to collaborate with Southern Medical University to advance the "Tomorrow's Star in White Coats Scholarship," supporting the cultivation of medical talent.

In rural revitalization, the Company has collaborated with the Yao Foundation for many years to support physical education in hundreds of rural primary schools. In 2025, through donations of basketball courts and sports equipment, as well as support for volunteer teaching and training leagues in Shanxi, Xinjiang, and other regions in the PRC, the Company worked to improve rural public sports infrastructure and provide more comprehensive sports facilities for youth and local residents.

When faced with urgent social needs, the Company actively responds with a strong sense of duty. In 2025, it donated HK$10 million to support rescue and reconstruction following the Tai Po fire in Hong Kong, and promptly supported earthquake relief in Shigatse of Tibet, as well as flood relief efforts in multiple provinces, delivering emergency supplies to the front lines. In addition, the Eastroc Beverage Charitable Foundation focuses on livelihood security, community development, and care for special groups. Through initiatives such as facility repairs, assistance for those in need, support for study tours for children of new economy workers, and improvements to primary-level healthcare, the Company continues to address social concerns and demonstrates the responsibility and commitment of a national enterprise through concrete actions.

In terms of sustainable development governance, we establish a Board-centered ESG structure to be responsible for overseeing our sustainability practices, covering the following dimensions: (i) appropriate risk governance for ESG matters, including climate-related risks and materiality analysis; (ii) identification of key stakeholders and the communication channels to engage them; (iii) an ESG strategy development process; and (iv) identification of key performance indicators, related measurements and mitigations. We are committed to complying with all the code provisions under the Corporate Governance Code upon Listing and we believe our policies on ESG-related matters were established in accordance with the standards set out in the Corporate Governance Code. In addition, the Company has established the Strategy and ESG Committee of the Board. We continuously improve our ESG governance structure and consistently enhance the quality and transparency of related information disclosure, integrating the concept of sustainable development into our Company's strategy and daily operations.

Please refer to the 2025 Sustainability Report separately to be released in accordance with the requirements of the Hong Kong Listing Rules and other applicable laws, regulations and stock exchange rules.

Equity-linked Agreement

Other than certain agreements entered into in respect of the Global Offering and disclosed in the Prospectus, the Company had not entered or participated in any equity-linked agreements that will or may result in the Company issuing Shares during the year ended December 31, 2025.

Material Litigation and Arbitration

During the Reporting Period, the Company had no material litigation and arbitration.

Donation

For the year ended December 31, 2025, the Group made charitable donations of RMB23.4 million.

Subsequent Events

The material events after the Reporting Period are set out in note 39 to the consolidated financial statements in this Report.

On behalf of the Board
LIN Muqin
Chairman of the Board, Executive Director and Chief Executive Officer
Shenzhen, PRC
March 30, 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF EASTROC BEVERAGE (GROUP) CO., LTD.
東鵬飲料(集團)股份有限公司
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Eastroc Beverage (Group) Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 84 to 150, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 International Standards on Auditing ("**ISAs**"). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "**IESBA Code**"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
We identified revenue recognition on sales of energy beverages, sports beverages and other beverage products as a key audit matter due to its financial significance to the consolidated financial statements. As disclosed in note 5 to the consolidated financial statements, the Group recognises revenue from sales of energy beverages, sports beverages and other beverage products at a point in time when the control of the goods is transferred, being when the goods have been delivered to the customers and accepted by the customers. The Group recognised revenue from sales of energy beverages, sports beverages and other beverage products of RMB20,858,703,000 in aggregate for the year ended 31 December 2025.	Our procedures in relation to revenue recognition on sales of energy beverages, sports beverages and other beverage products included: • Evaluating the design and implementation of the Group's relevant controls over revenue recognition on sales of energy beverages, sports beverages and other beverage products, and testing their operating effectiveness; • Understanding the contractual terms of the sales transactions of energy beverages, sports beverages and other beverage products with different customers, and evaluating whether the timing of the Group's revenue recognition complies with IFRS 15 *Revenue from Contracts with Customers*; • Confirming the sales amount with a selection of customers; • Using computer-assisted audit techniques to compare the sales amounts of each sales order recorded in the operating system with the amounts recorded in the financial system with the involvement of our data analytics specialist, and checking the sales amount and sales volume of transactions recorded in the operating system, on a sample basis, to the corresponding supporting documents, including delivery documents and sales reconciliation statements acknowledged by customers; • Examining a selection of the cash collection shown in the bank statements to the amounts recorded in the general ledgers; and • Performing background checks on a selection of distributors to understand their business nature, and checking a sample of recorded sales transactions to selected distributors to the corresponding supporting documents, including delivery documents and sales reconciliation statements acknowledged by customers.

Key audit matter	How our audit addressed the key audit matter
Variable consideration for sales rebates and discounts	
We identified variable consideration for sales rebates and discounts as a key audit matter due to its financial significance to the consolidated financial statements and the significant degree of management judgement involved in determining the sales rebates and discounts. Included in trade and other payables and contract liabilities, sales rebates and discounts payables with an aggregate amount of RMB3,448,953,000 was recognised in the consolidated statement of financial position as at 31 December 2025. The expected sales rebates and discounts are determined based on different input factors, including (a) specified volume thresholds and unit rebate set out in the corresponding sales contract, (b) sales volume achieved by the customers to date, and (c) expected participation rates of the points of sales and consumers, which increases the risk of error in the calculation thereof. Details are set out in notes 4, 24 and 26 to the consolidated financial statements.	Our procedures in relation to variable consideration for sales rebates and discounts included: • Evaluating the design and implementation of the Group's relevant controls over estimation of sales rebates and discounts payables, and testing their operating effectiveness; • Understanding the sales rebates and discounts terms set out in the sales contracts or promotion programs, and evaluating whether the estimation of sales rebates and discounts payables comply with the requirements of the prevailing accounting standards; • Performing retrospective review by comparing the settlement of sales rebates and discounts during the year, on a sample basis, with management's estimation of sales rebates and discounts payables prepared in the previous review; and • Obtaining from management the sales rebates and discounts payables calculation and performing the procedures, on a sample basis, including: — Comparing the specified volume threshold and unit rebate used in the calculation with the information set out in the corresponding sales contract; — Comparing the sales volume data during the year used in the calculation with the corresponding information recorded in the operating system; — Evaluating the reasonableness of the estimated completion of performance rates of customers and the estimated participation rates of the points of sales and consumers used in the calculation with reference to their historical rates; and — Checking the arithmetical accuracy of the calculation.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 those charged with governance, 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 YEE, MUNG MUI.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	Year ended 31 December 2025 RMB'000	2024 RMB'000
Revenue	5	**20,866,019**	15,830,336
Cost of sales		**(11,657,729)**	(8,847,018)
Gross profit		**9,208,290**	6,983,318
Other income	6	**340,770**	383,832
Other gains and losses	7	**247,826**	72,969
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(1,019)**	(958)
Distribution and selling expenses		**(3,404,838)**	(2,681,080)
Administrative expenses		**(632,514)**	(485,221)
Research and development expenses		**(66,338)**	(62,671)
Finance costs	8	**(101,132)**	(102,876)
Listing expenses		**(6,688)**	—
Profit before tax		**5,584,357**	4,107,313
Income tax expense	9	**(1,170,339)**	(780,883)
Profit for the year	10	**4,414,018**	3,326,430
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(81,736)**	37,387
Total comprehensive income for the year		**4,332,282**	3,363,817
Profit/(loss) for the year attributable to:			
Owners of the Company		**4,415,263**	3,326,710
Non-controlling interests		**(1,245)**	(280)
Profit for the year		**4,414,018**	3,326,430
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**4,333,220**	3,364,097
Non-controlling interests		**(938)**	(280)
Total comprehensive income for the year		**4,332,282**	3,363,817
EARNINGS PER SHARE	14		
Basic		**RMB8.4907**	RMB6.3974

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	As at 31 December 2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	*15*	**6,456,032**	4,279,051
Right-of-use assets	*16*	**1,442,664**	821,044
Intangible assets	*17*	**12,262**	11,911
Financial assets at fair value through profit or loss ("**FVTPL**")	*20*	**711,756**	377,153
Time deposits	*22*	**1,757,476**	3,671,602
Deferred tax assets	*18*	**729,239**	459,839
Prepayments for long-term assets		**223,827**	350,072
		11,333,256	9,970,672
Current Assets			
Inventories	*19*	**656,963**	1,068,084
Trade and other receivables	*21*	**908,972**	713,696
Amounts due from related parties	*31*	**136**	1
Financial assets at FVTPL	*20*	**6,309,441**	4,897,206
Time deposits	*22*	**4,760,980**	2,689,451
Restricted bank deposits	*22*	**10,255**	9,025
Cash and cash equivalents	*22*	**2,740,733**	3,328,162
		15,387,480	12,705,625
Current Liabilities			
Trade and other payables	*24*	**3,657,922**	3,242,377
Contract liabilities	*26*	**5,974,383**	4,760,551
Amount due to a related party	*31*	**8,718**	6,946
Income tax payable		**517,828**	270,790
Borrowings	*25*	**6,630,230**	6,551,337
Lease liabilities	*27*	**20,981**	13,041
		16,810,062	14,845,042
Net Current Liabilities		**(1,422,582)**	(2,139,417)
Total Assets Less Current Liabilities		**9,910,674**	7,831,255

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	As at 31 December 2025 RMB'000	2024 RMB'000
Capital and Reserves			
Share capital	*28*	**520,013**	520,013
Reserves		**8,900,946**	7,167,791
Equity attributable to owners of the Company		**9,420,959**	7,687,804
Non-controlling interests		**2,839**	3,777
Total Equity		**9,423,798**	7,691,581
Non-current Liabilities			
Deferred tax liabilities	*18*	**3,300**	3,269
Lease liabilities	*27*	**404,396**	85,454
Deferred income	*23*	**79,180**	50,951
		486,876	139,674
		9,910,674	7,831,255

The consolidated financial statements set out on page 84 to page 150 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Mr. Lin Muqin
Executive Director and Chairman

Mr. Peng Dexin
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Translation reserve RMB'000	Statutory surplus reserve RMB'000 *(Note b)*	Retained profits RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	400,010	2,080,396	5,065	200,005	3,638,281	6,323,757	–	6,323,757
Profit (loss) for the year	–	–	–	–	3,326,710	3,326,710	(280)	3,326,430
Other comprehensive income for the year	–	–	37,387	–	–	37,387	–	37,387
Total comprehensive income (expense) for the year	–	–	37,387	–	3,326,710	3,364,097	(280)	3,363,817
Issuance of bonus shares using share premium *(Note a)*	120,003	(120,003)	–	–	–	–	–	–
Dividends recognised as distribution *(Note 13)*	–	–	–	–	(2,000,050)	(2,000,050)	–	(2,000,050)
Capital contribution from non-controlling interests	–	–	–	–	–	–	4,057	4,057
Profit appropriations to statutory surplus reserve	–	–	–	60,002	(60,002)	–	–	–
At 31 December 2024	**520,013**	**1,960,393**	**42,452**	**260,007**	**4,904,939**	**7,687,804**	**3,777**	**7,691,581**
Profit (loss) for the year	**–**	**–**	**–**	**–**	**4,415,263**	**4,415,263**	**(1,245)**	**4,414,018**
Other comprehensive (expense) income for the year	**–**	**–**	**(82,043)**	**–**	**–**	**(82,043)**	**307**	**(81,736)**
Total comprehensive (expense) income for the year	**–**	**–**	**(82,043)**	**–**	**4,415,263**	**4,333,220**	**(938)**	**4,332,282**
Dividends recognised as distribution *(Note 13)*	**–**	**–**	**–**	**–**	**(2,600,065)**	**(2,600,065)**	**–**	**(2,600,065)**
At 31 December 2025	**520,013**	**1,960,393**	**(39,591)**	**260,007**	**6,720,137**	**9,420,959**	**2,839**	**9,423,798**

Notes:

(a) Pursuant to the resolution of the general meeting of shareholders of the Company on 18 September 2024, an issuance of bonus shares using share premium in an aggregate amount of RMB120,003,000 for all the registered shareholders of the Company on a basis of 3 shares for every 10 ordinary shares has been approved. Upon the completion of the issuance on 9 October 2024, the total outstanding ordinary shares of the Company increased to 520,013,000 shares (see Note 28 for details).

(b) The statutory surplus reserve represents the amount transferred from net profit for the year of the Company established in the People's Republic of China (the "**PRC**") in accordance with the relevant PRC laws until the statutory surplus reserve reaches 50% of the registered capital. The statutory surplus reserve cannot be reduced except either use to set off the accumulated losses or increase capital. Amounts of RMB727,453,000 (2024: RMB487,208,000) of statutory surplus reserve of the PRC subsidiaries are included in the retained profits as at 31 December 2025.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTE	Year ended 31 December 2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Profit before tax		**5,584,357**	4,107,313
Adjustments for:			
Interest income		**(257,679)**	(317,449)
Finance costs		**101,132**	102,876
Dividends from financial assets at FVTPL		**–**	(5,363)
Gain on fair value changes in fair value of financial assets at FVTPL		**(248,490)**	(65,809)
Impairment losses under ECL model, net of reversal		**1,019**	958
Depreciation of property, plant and equipment		**84,065**	55,485
Depreciation of right-of-use assets		**32,883**	19,759
Amortisation of intangible assets		**3,527**	1,685
Loss on disposal of property, plant and equipment		**386**	907
Gain on disposal of right-of-use assets		**–**	(91)
Amortisation of government grants		**(7,835)**	(3,786)
Exchange gains		**(16,585)**	(44,716)
Operating cash flows before movements in working capital		**5,276,780**	3,851,769
Decrease (increase) in inventories		**786,539**	(217,465)
Increase in trade and other receivables		**(162,999)**	(215,961)
Increase in contract liabilities		**1,213,832**	2,153,330
Increase in trade and other payables		**214,961**	940,163
(Increase) decrease in amounts due from related parties		**(135)**	882
Increase (decrease) in amount due to a related party		**1,772**	(12,974)
Cash generated from operations		**7,330,750**	6,499,744
Income taxes paid		**(1,188,477)**	(792,632)
Interest received		**31,970**	82,296
NET CASH FROM OPERATING ACTIVITIES		**6,174,243**	5,789,408
INVESTING ACTIVITIES			
Interest received		**102,120**	123,637
Investment income from financial assets at FVTPL received		**–**	5,363
Proceeds from disposal of financial assets at FVTPL		**19,670,838**	7,593,887
Proceeds from disposal of property, plant and equipment		**6,677**	3,206
Purchases of financial assets at FVTPL		**(21,188,498)**	(10,903,774)
Purchases of property, plant and equipment		**(2,253,801)**	(1,312,359)
Purchases of intangible assets		**(3,878)**	(12,130)
Upfront payments for right-of-use assets		**(8,478)**	(364,993)
Net cash outflow from acquisition of a subsidiary	*33*	**(355,967)**	–
Placement of restricted bank deposits		**(3,001)**	–
Withdrawal of restricted bank deposits		**–**	2,327
Placement of time deposits		**(4,182,816)**	(8,652,189)
Withdrawal of time deposits		**4,114,347**	6,641,534
NET CASH USED IN INVESTING ACTIVITIES		**(4,102,457)**	(6,875,491)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTE	Year ended 31 December 2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES			
Additions of borrowings		**9,297,311**	9,353,534
Repayment of borrowings		**(9,225,361)**	(6,011,397)
Repayment of lease liabilities		**(11,724)**	(14,932)
Placement of restricted bank deposits		**(500)**	—
Withdrawal of restricted bank deposits		**—**	305,802
Capital contribution from non-controlling interests in a subsidiary		**—**	4,057
Interest paid		**(94,189)**	(129,564)
Issue costs paid		**(13,500)**	—
Dividends paid		**(2,600,065)**	(2,000,050)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(2,648,028)**	1,507,450
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(576,242)**	421,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**3,328,162**	2,875,073
Effect of foreign exchange rate changes		**(11,187)**	31,722
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**2,740,733**	3,328,162

1. GENERAL INFORMATION

The Company was incorporated in Shenzhen, Guangdong Province, the PRC in June 1994. Its ultimate controlling shareholder is Mr. Lin Muqin ("**Mr. Lin**"), who is also the chairman and executive director of the board of the Company. The Company's A shares have been listed on Shanghai Stock Exchange since 27 May 2021. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 3 February 2026. The address of the registered office is 1/F, Building 3, Zhongguan Honghualing Industry Western District, 142 Zhuguang North Road, Taoyuan Community, Nanshan District, Shenzhen, Guangdong Province, PRC and the address of the principal place of business is 1/F, Building 3, 88 Mingliang Science Park, 142 Zhuguang North Road, Taoyuan Community, Nanshan District, Shenzhen, Guangdong Province, PRC.

The Group is principally engaged in manufacturing and distribution of beverages in the PRC. Starting from 2023, the Group exported its products to overseas markets primarily including some countries in Southeast Asia (i.e., Vietnam and Malaysia).

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Group has consistently applied the accounting policies which conform with the IFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the years reported.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(Continued)*

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

As at 31 December 2025, the Group was in net current liabilities position of RMB1,422,582,000. After taking into account the Group's cashflow projection and the expected working capital requirements, the directors of the Company are satisfied that the Group is able to meet in full its financial obligations as they fall due for a period of twelve months from 31 December 2025. In addition, as at 31 December 2025, the Group's time deposits amounted to RMB6,518,456,000, which can be redeemed anytime upon the Group's request and as at 31 December 2025, the Group's contract liabilities amounted to RMB5,974,383,000, which can be settled by delivery of goods. Thus, it is appropriate to prepare the consolidated financial statements on a going concern basis.

3.2 Material accounting policy information

Basis of consolidation or asset acquisitions

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Basis of consolidation or asset acquisitions *(Continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocate to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Basis of consolidation or asset acquisitions *(Continued)*

Business combinations (Continued)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 26.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

<u>Short-term leases and leases of low-value assets</u>

The Group applies the short-term lease recognition exemption to leases of office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (e.g., electronic and office equipment). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including historical borrowing rates of the Group.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Foreign currencies *(Continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e., RMB) using exchange rates prevailing at the end of reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans/the Mandatory Provident Fund Scheme (the "**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation *(Continued)*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Intangible assets *(Continued)*

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification and subsequent measurement of financial assets</u>

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

<u>Amortised cost and interest income</u>

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

<u>Financial assets at FVTPL</u>

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("**FVTOCI**") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("IFRS 9")

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from related parties, time deposits, restricted bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and amounts due from related parties arising from contracts with customers.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("IFRS 9") *(Continued)*

(i) Significant increase in credit risk *(Continued)*

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

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

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

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

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

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

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("IFRS 9") *(Continued)*

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("IFRS 9") *(Continued)*

(v) Measurement and recognition of ECL *(Continued)*

Lifetime ECL for trade receivable are considered on a collective basis taking into consideration the nature of debtors, aging of trade receivables and relevant credit information such as forward-looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Aging of trade receivables; and

- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item as part of the net foreign exchange gains or losses;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item as part of fair value gains or losses of the financial assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities, including trade and other payables, borrowings and amount due to a related party are subsequently measured at amortised cost using effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other gains and losses" line item in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Variable consideration for sales rebates and discounts

The Group estimates variable consideration to be included in the transaction price for the sales of products with rebates and discounts.

The Group's rebates and discounts are settled either by future purchases or delivery or by cash. Include in the Group's sales rebates and discounts settled by future purchases or delivery, i) volume rebates are analysed on a per customer basis for contracts that are subject to specified volume thresholds and unit rebate. Determining whether a customer will likely be entitled to a rebate depends on the sales volume achieved by the customers to date. ii) sales discounts are estimated based on the expected participation rate of the points of sales and consumers. For cash-settled rebates and discounts, the Group estimates the cash amount expected to pay to the points of sales and consumers by considering expected participation rate of the points of sales and consumers.

The Group updates its assessment of expected sales rebates and discounts on a monthly basis and the related payables are adjusted accordingly. Estimates of expected sales rebates and discounts are sensitive to changes in circumstances and the Group's experience regarding rebate and discount entitlements may not be representative of a customer's actual rebate and discount entitlements in the future. As at 31 December 2025, the amounts recognised as accrued sales rebates and discounts were approximately RMB3,448,953,000 (2024: RMB2,139,437,000) for the expected sales rebates and discounts.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Types of goods or service		
Sales of Energy beverages *(Note a)*	**15,598,993**	13,303,585
Sales of Sports beverages *(Note b)*	**3,273,917**	1,495,014
Sales of other beverage products	**1,985,793**	1,023,166
Others *(Note c)*	**7,316**	8,571
Total	**20,866,019**	15,830,336
Timing of revenue recognition		
At a point in time	**20,866,019**	15,830,336

Notes:

(a) Energy beverages include Eastroc Super Drink (東鵬特飲) series product.

(b) Sports beverages include Eastroc Water Boost (東鵬補水啦).

(c) Others mainly include sales of packing materials.

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group's performance obligations and their corresponding revenue recognition policies are summarized as below:

Sales of Energy beverages, Sports beverages and other beverage products

For sales of Energy beverages, Sports beverages and other beverage products, revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customers and accepted by the customers.

Where the Group receives an advance payment from customers for the sale of Energy beverages, Sports beverages and other beverage products, the Group first recognises a contract liability in the amount of the prepayment for its performance obligation to transfer, or to be ready to transfer, goods or services in the future. The contract liability is derecognised, and revenue is recognised, when the relevant performance obligations are satisfied.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Performance obligations for contracts with customers and revenue recognition policies *(Continued)*

Sales of Energy beverages, Sports beverages and other beverage products *(Continued)*

Include in the Group's sales rebates and discounts settled by future purchases or delivery, the Group has volume-based rebates and other sales discounts. For volume-based rebates, the Group makes an estimate of the amount of volume-based rebates granted to its customers based on the pre-agreed sales rebates policy and its evaluation of whether the single-volume threshold specified in the contract can be achieved by the customers and recognises revenue on the net basis of the contract consideration less the estimated rebates amount. For the other sales discount, the Group makes an estimate of the amount of the discounts based on the expected historical participation rate of the customers. Given that customers agree to use the accumulated amount of the sales rebates and discounts as an advance payment, the Group recorded the sales rebates and discounts payables on goods sold as "contract liabilities".

The Group also has another type of sales rebates and discounts, which is settled by cash. For the cash rebates to a customer upon making a purchase of the Group's products, the Group accounts for the consideration payable to a customer as a reduction of the transaction price. The Group estimates the cash amount expected to pay to the customers by considering historical participation rate of the customers. The consideration payable to a customer in cash was recorded in "trade and other payables".

The Group sells raw materials to its customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customers and accepted by the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies. The CODM reviews the overall results and financial position of the Group as a whole and no other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

(v) Geographical information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is almost all derived from operations in the PRC and the Group's non-current assets are almost all located in the PRC.

(vi) Information about major customers

There was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue for both years.

6. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest income from bank deposits	**257,679**	317,449
Dividends from financial assets at FVTPL	**—**	5,363
Government grants *(Note)*	**72,676**	49,465
Others	**10,415**	11,555
	340,770	383,832

Note: During the year ended 31 December 2025, the government grants include subsidies received to reward for the contribution by the subsidiaries to the local economic growth amounting to approximately RMB64,841,000 (2024: RMB45,679,000) which was recognised in the profit or loss upon receipt of these rewards and the related conditions associated with the rewards are met, if any. There are no unfulfilled conditions or contingencies relating to these grants.

The remaining portion of government grants related to subsidies received for the investments in production facilities in the PRC which were recognised in the profit or loss over the useful lives of relevant assets as detailed in Note 23.

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment	**(386)**	(907)
Gain on disposal of right-of-use assets	**—**	91
Gain on changes in fair value of financial assets at FVTPL	**248,490**	65,809
Net foreign exchange gains	**16,585**	44,716
Donations	**(23,371)**	(38,389)
Others	**6,508**	1,649
	247,826	72,969

8. FINANCE COSTS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest on borrowings	**84,870**	97,914
Interest on lease liabilities	**16,262**	4,962
	101,132	102,876

9. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**1,439,708**	881,873
Deferred tax *(Note 18)*	**(269,369)**	(100,990)
	1,170,339	780,883

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Company and PRC subsidiaries is 25% except that certain subsidiaries are eligible for preferential taxation of paying EIT at a rate of 15% for both years as detailed below.

Certain of the Group's subsidiaries operating in the PRC are eligible for certain tax holidays and concessions and were exempted from PRC income taxes. Details are as follows:

(i) Guangzhou Eastroc Food and Beverage Co., Ltd. (廣州市東鵬食品飲料有限公司) ("**Guangzhou Eastroc**"), a wholly-owned subsidiary of the Company, has been continuously recognised as a high-tech enterprise since 2019. It first obtained the High-tech Enterprise Certificate in 2019 and has successfully renewed it thereafter, including the most recent renewal in December 2025, which is valid for three years and will expire in December 2028. Accordingly, Guangzhou Eastroc has been eligible for a preferential EIT rate of 15% for both years.

(ii) Pursuant to the relevant laws and regulations promulgated in Shenzhen City, Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd. (深圳市東鵬捷迅供應鏈管理有限公司) ("**Eastroc Jiexun**"), a wholly-owned subsidiary of the Group, is qualified and entitled with a preferential EIT rate of 15% for five years starting from 2021 until 2025. Accordingly, Eastroc Jiexun was entitled to a preferential EIT rate of 15% for both years.

(iii) Pursuant to the relevant laws and regulations promulgated in Guangdong province, Eastroc Beverage Marketing (Guangdong) Co., Ltd. (東鵬飲料營銷(廣東)有限公司) ("**Guangdong Marketing**"), a wholly-owned subsidiary of the Group, was qualified and thus exempted from the local share (40%) of PRC EIT starting from 2022 until 2025. Accordingly, Guangdong Marketing was entitled to a preferential tax rate of 15% for both years.

(iv) Pursuant to the relevant laws and regulations in the PRC, Guangdong Dongpeng Beverage Supply Chain Management Co., Ltd. (廣東東鵬飲料供應鏈管理有限公司) ("**Guangdong Supply Chain**"), a wholly-owned subsidiary of the Group, is continuously qualified and entitled with a preferential EIT rate of 15% starting from 17 July 2025, the incorporation date of Guangdong Supply Chain. Accordingly, Guangdong Supply Chain was entitled to a preferential EIT rate of 15% for the year ended 31 December 2025.

9. INCOME TAX EXPENSE *(Continued)*

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before tax	**5,584,357**	4,107,313
Tax at the EIT tax rate of 25%	**1,396,089**	1,026,828
Income tax at concessionary rate	**(211,742)**	(191,274)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(7,876)**	(20,950)
Tax effect of income not taxable for tax purpose	**(15,409)**	(35,194)
Tax effect of expenses not deductible for tax purpose	**3,557**	1,748
Tax effect of super deduction of research and development expenses *(Note)*	**(6,633)**	(6,833)
Others	**12,353**	6,558
Income tax expense	**1,170,339**	780,883

Note: The eligible expenditures represent research and development expenses incurred in the PRC and charged to profit or loss, which is subject to an additional 100% tax deduction in the calculation of income tax expense for both years.

10. PROFIT FOR THE YEAR

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**443,692**	332,421
Depreciation of right-of-use assets	**55,318**	28,836
Amortisation of intangible assets	**3,527**	1,685
Total depreciation and amortisation	**502,537**	362,942
Less: capitalised in inventories	**(382,968)**	(282,017)
Less: capitalised in property, plant and equipment	**(6,645)**	(3,996)
	112,924	76,929
Auditors' remuneration	**3,330**	3,200
Directors' and supervisors' emoluments *(Note 11)*	**23,878**	55,455
Staff salaries and benefits	**1,968,431**	1,615,083
Staff retirement benefit schemes contributions	**166,259**	94,542
Total staff costs	**2,158,568**	1,765,080
Less: capitalised in inventories	**(468,082)**	(367,353)
	1,690,486	1,397,727
Cost of inventories recognised as an expense	**10,656,578**	8,082,177

11. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Director's Fee RMB'000	Salaries, allowance and benefits in kind RMB'000	Performance related bonuses RMB'000	Contributions to retirement benefit scheme and others RMB'000	Total RMB'000
For the year ended 31 December 2025					
Executive directors					
Mr. Lin Muqin *(i)*	–	3,491	1,825	–	5,316
Mr. Lin Mugang	–	2,976	1,345	57	4,378
Mr. Lu Yifu *(vi)*	–	2,656	1,400	57	4,113
Ms. Jiang Weiwei *(vi)*	–	3,156	1,075	54	4,285
Mr. Zhang Lei *(vi)*	–	2,351	933	57	3,341
Mr. Lin Daiji *(vi)*	–	521	94	38	653
	–	15,151	6,672	263	22,086
Independent non-executive directors					
Ms. You Xiao	150	–	–	–	150
Ms. Zhao Yali *(vii)*	150	–	–	–	150
Mr. Li Hongbin *(vii)*	150	–	–	–	150
Mr. Tai Kwok Leung, Alexander *(ix)*	113	–	–	–	113
	563	–	–	–	563
Supervisors					
Mr. Yu Bin *(viii)*	–	548	–	11	559
Mr. Hu Yajun *(viii)*	–	425	–	13	438
Mr. Li Xueli *(viii)*	–	219	–	13	232
	–	1,192	–	37	1,229
	563	16,343	6,672	300	23,878

11. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Director's Fee RMB'000	Salaries, allowance and benefits in kind RMB'000	Performance related bonuses RMB'000	Contributions to retirement benefit scheme and others RMB'000	Total RMB'000
For the year ended 31 December 2024					
Executive directors					
Mr. Lin Muqin *(i)*	—	3,512	1,978	37	5,527
Mr. Lin Mugang	—	2,864	2,048	50	4,962
Mr. Lu Yifu *(vi)*	—	2,523	4,641	50	7,214
Ms. Liu Meili *(ii)*	—	1,467	2,597	50	4,114
Mr. Li Dawen *(ii)*	—	90	24	9	123
Mr. Lin Daiqin *(ii)*	—	1,018	—	40	1,058
Ms. Jiang Weiwei *(vi)*	—	2,787	4,380	47	7,214
Mr. Zhang Lei *(vi)*	—	2,554	2,862	50	5,466
Mr. Lin Daiji *(vi)*	—	524	125	27	676
	—	17,339	18,655	360	36,354
Independent non-executive directors					
Mr. Yao Lushi *(iii)*	13	—	—	—	13
Ms. You Xiao	150	—	—	—	150
Mr. Cheng Yi *(iv)*	—	—	—	—	—
Ms. Zhao Yali *(vii)*	138	—	—	—	138
Mr. Li Hongbin *(vii)*	138	—	—	—	138
	439	—	—	—	439
Supervisors					
Mr. Cai Yunsheng *(v)*	—	2,159	4,138	50	6,347
Mr. Li Zengyong *(v)*	—	—	—	—	—
Mr. Chen Yimin *(v)*	—	—	—	—	—
Mr. Yu Bin *(viii)*	—	2,189	4,004	40	6,233
Mr. Hu Yajun *(viii)*	—	1,561	2,975	47	4,583
Mr. Li Xueli *(viii)*	—	375	1,078	46	1,499
	—	6,284	12,195	183	18,662
	439	23,623	30,850	543	55,455

11. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Notes:

(i) Mr. Lin Muqin acts as chief executive of the Company throughout the reporting period and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.

(ii) Ms. Liu Meili, Mr. Li Dawen and Mr. Lin Daiqin have been resigned from the executive directors of the Company on 1 February 2024.

(iii) Mr. Yao Lushi has been resigned from the independent non-executive director of the Company on 1 February 2024.

(iv) Mr. Cheng Yi has been resigned from the independent non-executive director of the Company on 1 February 2024.

(v) Mr. Cai Yunsheng, Mr. Li Zengyong and Mr. Chen Yimin have been resigned from the supervisors of the Company on 1 February 2024.

(vi) Ms. Jiang Weiwei, Mr. Zhang Lei, Mr. Lu Yifu and Mr. Lin Daiji were appointed as the executive directors of the Company on 1 February 2024.

(vii) Ms. Zhao Yali and Mr. Li Hongbin were appointed as the independent non-executive directors of the Company on 1 February 2024.

(viii) Mr. Yu Bin, Mr. Hu Yajun and Mr. Li Xueli were appointed as the supervisors of the Company on 1 February 2024 and have been resigned from the supervisors of the Company on 2 April 2025.

(ix) Mr. Tai Kwok Leung, Alexander was appointed as the independent non-executive director of the Company on 2 April 2025.

The executive directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Certain executive directors of the Company are entitled to bonus payments which are determined based on the performance of individual and market trend.

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors nor the chief executive officer of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors nor the chief executive officer of the Company waived or agreed to waive any emoluments during the reporting period.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included five (2024: five) directors, and details of whose remuneration are set out in Note 11 above.

13. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Dividends recognised as distribution:		
2023 final dividend — RMB25.0 per 10 ordinary shares	**—**	1,000,025
2024 interim dividend — RMB25.0 per 10 ordinary shares	**—**	1,000,025
2024 final dividend — RMB25.0 per 10 ordinary shares	**1,300,033**	—
2025 interim dividend-RMB25.0 per 10 ordinary shares	**1,300,032**	—
	2,600,065	2,000,050

Pursuant to the resolution of the general meeting of shareholders of the Company on 18 September 2024, an issuance of bonus shares using share premium in an aggregate amount of RMB120,003,000 for all the registered shareholders of the Company on a basis of 3 shares for every 10 ordinary shares has been approved (see Note 28 for details).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB25.0 per 10 ordinary shares (2024: RMB25.0 per 10 ordinary shares) and an issuance of bonus shares using share premium in an aggregate amount of RMB1,411,922,000 for all the registered shareholders of the Company on a basis of 3 shares for every 10 ordinary shares has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS PER SHARE

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Earnings		
Profit for the year attributable to owners of the Company	**4,415,263**	3,326,710
Number of shares		
Weighted average number of ordinary shares	**520,013,000**	520,013,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted retrospectively for the bonus shares of 120,003,000 shares issued on 9 October 2024 (see Note 28) by capitalisation of the share premium into the share capital of the Company, as if 120,003,000 shares were in issue as at 1 January 2024.

No diluted earnings per share for both years was presented as there were no potential ordinary shares in issue for the years ended 31 December 2025 and 2024.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Construction in progress ("CIP")	Machineries	Motor vehicles	Furniture, fixtures and office equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2024	1,936,603	50,228	385,045	1,955,258	33,419	75,734	4,436,287
Additions	533	29,259	1,193,185	19,940	32,381	6,468	1,281,766
Transfer from CIP	291,252	–	(1,024,165)	712,163	4,036	16,714	–
Disposals	(2,136)	–	–	(8,575)	(1,410)	(2,240)	(14,361)
Exchange adjustments	–	–	–	–	–	1	1
At 31 December 2024	**2,226,252**	**79,487**	**554,065**	**2,678,786**	**68,426**	**96,677**	**5,703,693**
Additions	**209**	**57,614**	**2,105,686**	**327,026**	**14,819**	**6,769**	**2,512,123**
Acquired on acquisition of a subsidiary *(Note 33)*	**115,614**	**–**	**–**	**–**	**–**	**–**	**115,614**
Transfer from CIP	**506,359**	**–**	**(1,246,081)**	**719,323**	**2,024**	**18,375**	**–**
Disposals	**–**	**–**	**–**	**(19,981)**	**(5,434)**	**(1,618)**	**(27,033)**
Exchange adjustments	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
At 31 December 2025	**2,848,434**	**137,101**	**1,413,670**	**3,705,154**	**79,835**	**120,202**	**8,304,396**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2024	304,081	17,675	–	711,770	20,749	48,194	1,102,469
Provided for the year	102,554	6,489	–	201,269	7,647	14,462	332,421
Eliminated on disposals	–	–	–	(7,059)	(1,255)	(1,934)	(10,248)
At 31 December 2024	**406,635**	**24,164**	**–**	**905,980**	**27,141**	**60,722**	**1,424,642**
Provided for the year	**114,043**	**17,148**	**–**	**280,440**	**12,566**	**19,495**	**443,692**
Eliminated on disposals	**–**	**–**	**–**	**(16,057)**	**(2,712)**	**(1,201)**	**(19,970)**
At 31 December 2025	**520,678**	**41,312**	**–**	**1,170,363**	**36,995**	**79,016**	**1,848,364**
CARRYING VALUES							
At 31 December 2025	**2,327,756**	**95,789**	**1,413,670**	**2,534,791**	**42,840**	**41,186**	**6,456,032**
At 31 December 2024	1,819,617	55,323	554,065	1,772,806	41,285	35,955	4,279,051

As at 31 December 2025, the Group has not obtained property certificates of certain buildings with amount of approximately RMB484,376,000 (2024: RMB83,236,000).

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment of the Group, except for CIP, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

	Lifetime Estimated residual value	Estimated useful life (years)	Depreciation Ratio
Buildings	5%	20~26	3.65%~4.75%
Machineries	5%	10	9.50%
Motor vehicles	5%	5	19.00%
Furniture, fixtures and office equipment	5%	2~5	19.00%~47.50%
Leasehold improvements	Nil	*Note*	20.00%~66.67%

Note: 5 or over the shorter of the lease terms and the estimated useful lives.

16. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000	leased properties RMB'000	Total RMB'000
As at 31 December 2025			
Carrying Amount	**1,046,100**	**396,564**	**1,442,664**
As at 31 December 2024			
Carrying Amount	734,208	86,836	821,044
For the year ended 31 December 2025			
Depreciation charge	**26,440**	**28,878**	**55,318**
For the year ended 31 December 2024			
Depreciation charge	12,943	15,893	28,836

	As at 31 December	
	2025 **RMB'000**	2024 RMB'000
Expenses relating to short-term leases and leases of low-value assets	**17,444**	18,152
Total cash outflow for leases	**53,908**	403,039
Additions to right-of-use assets	**676,938**	273,971

16. RIGHT-OF-USE ASSETS *(Continued)*

During the years ended 31 December 2025 and 2024, the Group leases various properties for its operations. Lease contracts are entered into for fixed term of 12 months to 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold land. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably. The leasehold land is amortised on a straight-line basis over 30 to 50 years pursuant to the registered term for land use right.

The Group has obtained the land use right certificates for all leasehold lands as at 31 December 2025 and 2024.

The Group regularly entered into short-term leases for office equipment. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of approximately RMB425,377,000 (2024: RMB98,495,000) are recognised with related right-of-use assets of approximately RMB396,564,000 (2024: RMB86,836,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Note 27.

17. INTANGIBLE ASSETS

	Office software RMB'000	Trademarks and patents RMB'000	Total RMB'000
COST			
At 1 January 2024	18,273	5,266	23,539
Additions	6,490	—	6,490
At 31 December 2024	**24,763**	**5,266**	**30,029**
Additions	**3,878**	**—**	**3,878**
At 31 December 2025	**28,641**	**5,266**	**33,907**
AMORTISATION			
At 1 January 2024	13,325	3,108	16,433
Charge for the year	966	719	1,685
At 31 December 2024	**14,291**	**3,827**	**18,118**
Charge for the year	**2,959**	**568**	**3,527**
At 31 December 2025	**17,250**	**4,395**	**21,645**
CARRYING VALUES			
At 31 December 2025	**11,391**	**871**	**12,262**
At 31 December 2024	10,472	1,439	11,911

The above intangible assets of the Group have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Office software	3~10 years
Trademarks and patents	3~7 years

18. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**729,239**	459,839
Deferred tax liabilities	**(3,300)**	(3,269)
	725,939	456,570

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accrued sales rebates and discounts	Unrealised profit	Right-of-use assets	Lease liabilities	Fair value adjustment	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	349,372	16,780	(24,258)	26,672	(22,534)	9,548	355,580
Credit (charge) for the year *(Note 9)*	103,650	11,207	2,907	(2,430)	(2,194)	(12,150)	100,990
At 31 December 2024	**453,022**	**27,987**	**(21,351)**	**24,242**	**(24,728)**	**(2,602)**	**456,570**
Credit (charge) for the year *(Note 9)*	**264,899**	**(14,954)**	**(85,873)**	**90,547**	**(23,528)**	**38,278**	**269,369**
At 31 December 2025	**717,921**	**13,033**	**(107,224)**	**114,789**	**(48,256)**	**35,676**	**725,939**

19. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables	**332,228**	319,590
Finished goods	**225,507**	732,645
Goods in transit	**99,228**	15,849
	656,963	1,068,084

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Listed securities held for trading		
— equity securities listed in Hong Kong	**—**	141,346
Investment in a fund *(Note i)*	**378,524**	276,140
Investment in financial products issued by banks and other financial institutions *(Note ii)*	**6,642,673**	4,856,873
	7,021,197	5,274,359
Analysed for reporting purposes as:		
— current assets	**6,309,441**	4,897,206
— non-current assets *(Note iii)*	**711,756**	377,153
	7,021,197	5,274,359

Notes:

(i) The investment in a fund was denominated in RMB. The return of the financial asset was determined by reference to the return of the underlying investments.

(ii) As at 31 December 2025, an aggregate amount of approximately RMB5,743,254,000 (2024: RMB4,745,663,000) were financial products issued by banks and other financial institutions denominated in RMB. The remaining amount of approximately RMB899,419,000 (2024: RMB111,210,000) of the financial products issued by banks and other financial institutions are denominated in USD. These financial products have the expected rates of return ranging from 1.00% to 6.00% (2024: 1.00% to 6.00%) per annum.

(iii) As at 31 December 2025, included in the financial assets at FVTPL of approximately RMB711,756,000 (2024: RMB377,153,000) represented financial products issued by banks and other financial institutions with a lockup period of more than one year and investment in a fund which can only exit upon liquidation or transfer with the consent of the general partner.

21. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables	**95,720**	85,581
Less: Allowance for credit losses	**(4,786)**	(4,273)
	90,934	81,308
Other receivables	**49,266**	28,744
Less: Allowance for credit losses	**(318)**	(312)
	48,948	28,432
Advances to suppliers and prepaid operation expenses	**334,738**	227,118
Deferred issue costs	**19,535**	—
Prepaid income tax	**7,700**	11,893
Value-added tax recoverable	**407,117**	364,945
	908,972	713,696

As at 1 January 2024, the Group' trade receivables from contracts with customers amounting to approximately RMB66,356,000.

The Group required an advance payment from distributors for the sale of goods. For other customers, the Group normally grants a credit period of 30 to 90 days.

The Group grants the credit period ranging from 30 days to 90 days to its trade customers. A longer credit period may be granted to large or long-established customers with good repayment history.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice dates at 31 December 2025 and 2024:

Aging of trade receivables, net of allowance for credit losses, is prepared based on the date of transfer of goods and services, which approximated the respective revenue recognition dates, as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0–90 days	**90,934**	81,308

There were no past due trade receivables as at 31 December 2025 and 2024.

Details of impairment assessment of trade and other receivables are set out in Note 36.

22. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS

Cash and cash equivalents

Cash and cash equivalents include demand deposits with original maturity less than three months for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.01% to 3.52% (2024: 0.01% to 4.90%) per annum as at 31 December 2025.

Restricted bank deposits

Restricted bank deposits primarily represent deposits held in designated bank accounts for unconditional and irrevocable letter of guarantee. As at 31 December 2025, the restricted bank deposits carry interest rate ranging from 0.05% to 1.10% (2024: 0.10% to 1.55%) per annum.

Time deposits

As at 31 December 2025, time deposits with original maturity over 3 months carry interest rate from 1.20% to 4.72% (2024: 1.85% to 5.38%) per annum.

Details of impairment assessment of demand deposits, restricted bank deposits and time deposits are set out in Note 36.

23. DEFERRED INCOME

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at beginning of the year	**50,951**	19,961
Addition	**36,064**	34,776
Recognised in profit or loss	**(7,835)**	(3,786)
Balance at end of the year	**79,180**	50,951

Note:

During the year ended 31 December 2025, government grants of approximately RMB36,064,000 (2024: RMB34,776,000) have been received from local government authorities in the PRC. All of the government grants and subsidies recognised as deferred income towards the cost of construction of its production facilities are determined to be asset related.

The amounts have been treated as deferred income and is transferred to income over the useful lives of the relevant assets. During the year ended 31 December 2025, government grant income related to assets amounting to RMB7,835,000 (2024: RMB3,786,000) was recognised in profit or loss.

24. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	**1,289,051**	1,255,329
Bills payables	**—**	10,000
Construction payables	**659,339**	429,881
Sales rebate and discount payables	**263,456**	275,781
Payroll payables	**423,942**	415,050
Other tax payables	**557,063**	479,549
Deposit payables	**110,348**	91,072
Advertising payables	**122,610**	138,955
Beverage cooler payables	**153,789**	88,053
Accrued issue costs	**6,035**	—
Other payables and accruals	**72,289**	58,707
	3,657,922	3,242,377

The average credit period on purchases of goods is 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0–90 days	**1,288,547**	1,245,084
91–180 days	**66**	74
181–365 days	**—**	9,170
Over 365 days	**438**	1,001
	1,289,051	1,255,329

All bills payables issued by the Group are with a maturity period of less than 1 year.

25. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At amortised cost:		
Borrowings	**–**	651,243
Advance from banks on discounted notes receivables *(Note)*	**2,094,148**	1,703,438
Advance from banks on discounted letters of credit *(Note)*	**4,536,082**	4,196,656
	6,630,230	6,551,337
Unsecured	**6,630,230**	6,551,337

Note: All note receivables and letters of credit discounted to banks as at 31 December 2025 and 2024 were arising from intragroup transactions among members of the Group, which were eliminated in full on consolidation.

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
The carrying amounts of the borrowings are repayable:		
Within one year and shown under current liabilities	**6,630,230**	6,551,337

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Fixed-rate borrowings	**6,630,230**	6,551,337

25. BORROWINGS *(Continued)*

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Effective interest rate:		
Borrowings	**N/A**	2.20% to 2.50%
Advance from banks on discounted notes receivables, advance from banks on discounted letters of credit	**0.64% to 1.40%**	0.60% to 2.75%

26. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Advance payment *(Note i)*	**2,788,886**	2,896,895
Sales rebates and discounts *(Note ii)*	**3,185,497**	1,863,656
	5,974,383	4,760,551

Notes:

i. The Group requires a deposit on acceptance of orders from certain customers. When the Group receives a deposit before the delivery of beverages, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

ii. Pursuant to the sales agreements and promotion programs rules announced, the customers are entitled to receive sales rebates and discounts from the Group based on the actual sales volume to them or the actual participation volume of the promotion programs. After the delivery of goods to the customers, the Group would estimate and determine the sales rebates and discounts payables to the customers based on their completion of performance targets or their expected historical participation rate. Given that customers agree to use the accumulated amount of the sales rebates and discounts as an advance payment, the Group recorded the sales rebates and discounts payables on goods sold as "contract liabilities".

At 1 January 2024, the Group's contract liabilities amounted to approximately RMB2,607,221,000.

26. CONTRACT LIABILITIES *(Continued)*

The amount of contract liabilities includes the revenue to be recognised. The contract liabilities balance varies in accordance with the number of contracts outstanding at the end of the reporting period. The following table shows how much of the revenue recognised during the reporting period relates to carried-forward contract liabilities.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**4,760,551**	2,607,221

The Group generally has no revenue contract that has an original expected duration of more than one year, and management applied practical expedient under IFRS 15 and are not disclosing the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied as of the end of the reporting period.

27. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	**20,981**	13,041
Within a period of more than one year but not more than two years	**13,426**	5,849
Within a period of more than two years but not more than five years	**45,503**	15,771
Within a period of more than five years	**345,467**	63,834
	425,377	98,495
Less: Amount due for settlement within one year shown under current liabilities	**(20,981)**	(13,041)
Amount due for settlement after one year shown under non-current liabilities	**404,396**	85,454

As at 31 December 2025, the weighted average incremental borrowing rates applied to lease liabilities are 4.64% (2024: 4.75%) per annum.

28. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company are as follows:

	Number of shares	Share capital RMB
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2024	400,010,000	400,010,000
Issue of bonus shares *(Note)*	120,003,000	120,003,000
At 31 December 2024 and 2025	**520,013,000**	**520,013,000**

Note: In October 2024, the Company capitalised share premium amounting to RMB120,003,000 to 120,003,000 ordinary shares as bonus shares with nominal value of RMB1.00 each.

On 3 February 2026, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of issuance of 40,889,900 new shares of RMB1 each issued at an offer price of Hong Kong Dollars ("**HKD**") 248.00 per share. Subsequently, on 4 March 2026, the Company exercised the over-allotment option and completed the issuance of 3,865,800 new shares of RMB1 each issued at an offer price of HKD248.00 per share. After deducting underwriting commissions and other expenses related to the Company's global offering, the net proceeds from the share issuance were approximately HKD10,943.35 million, equivalent to approximately RMB10,240.8 million at the exchange rate of HKD1.00 to RMB0.9358.

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current Assets		
Property, plant and equipment	**218,257**	173,597
Right-of-use assets	**111,252**	116,968
Intangible assets	**10,563**	11,561
Investments in subsidiaries	**5,604,701**	4,447,783
Financial assets at FVTPL	**519,450**	377,153
Time deposits	**787,375**	1,503,423
Deferred tax assets	**198,053**	182,501
Prepayments for long-term assets	**891**	21,579
	7,450,542	6,834,565
Current Assets		
Inventories	**44,534**	25,035
Trade and other receivables	**224,386**	204,021
Amounts due from related parties	**—**	1
Amounts due from subsidiaries	**4,478,269**	3,146,434
Financial assets at FVTPL	**2,215,522**	1,642,775
Time deposits	**644,533**	183,792
Restricted bank deposits	**500**	1
Cash and cash equivalents	**973,236**	1,494,676
	8,580,980	6,696,735
Current Liabilities		
Trade and other payables	**940,351**	1,340,215
Contract liabilities	**1,419,661**	1,312,412
Amounts due to a related party	**8,718**	6,946
Amounts due to subsidiaries	**5,753,504**	3,683,682
Income tax payable	**57,290**	—
Borrowings	**—**	651,242
Lease liabilities	**8,270**	8,075
	8,187,794	7,002,572
Net Current Assets (Liabilities)	**393,186**	(305,837)
Total Assets Less Current Liabilities	**7,843,728**	6,528,728
Capital and Reserves		
Share capital *(Note 28)*	**520,013**	520,013
Reserves *(Note 30)*	**7,273,442**	5,957,066
Total Equity	**7,793,455**	6,477,079
Non-current Liability		
Lease liabilities	**50,273**	51,649
	7,843,728	6,528,728

30. RESERVES OF THE COMPANY

	Share premium RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	2,084,271	200,005	2,991,678	5,275,954
Profit and total comprehensive income for the year	—	—	2,801,165	2,801,165
Profit appropriations to statutory surplus reserve	—	60,002	(60,002)	—
Issuance of bonus shares using share premium *(Note 28)*	(120,003)	—	—	(120,003)
Dividends recognised as distribution *(Note 13)*	—	—	(2,000,050)	(2,000,050)
At 31 December 2024	**1,964,268**	**260,007**	**3,732,791**	**5,957,066**
Profit and total comprehensive income for the year	**—**	**—**	**3,916,441**	**3,916,441**
Dividends recognised as distribution *(Note 13)*	**—**	**—**	**(2,600,065)**	**(2,600,065)**
At 31 December 2025	**1,964,268**	**260,007**	**5,049,167**	**7,273,442**

31. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

Relationships	**Nature of balances**	**As at 31 December 2025 RMB'000**	2024 RMB'000
Amounts due from related parties:			
Pengzhirui *(Note a)*	Non-trade nature	**—**	1
Shunbaoquan *(Note b)*	Trade nature	**136**	—
		136	1
Amount due to a related party:			
Pengzhirui *(Note a)*	Trade nature	**8,718**	6,946
Lease liabilities			
Shunbaoquan *(Note b)*	Lease liabilities in relation to leasing of plant	**49,295**	48,666

31. RELATED PARTY DISCLOSURES *(Continued)*

Relationships	Nature of transactions	Year ended 31 December 2025 RMB'000	2024 RMB'000
Shunbaoquan *(Note b)*	Interest expenses on lease liabilities	**2,386**	2,371
Shenzhen Eastroc Beverage Foundation *(Note c)*	Donation to a fund	**400**	25,500
Pengzhirui *(Note a)*	Purchase of technology service	**33,682**	28,020

Notes:

(a) Shenzhen Pengzhirui Digital Marketing Co., Ltd. (深圳鵬智瑞數字營銷有限公司), or Pengzhirui is an entity controlled by Mr. Lin.

(b) Haifengxian Shunbaoquan Property Management Co., Ltd. (海豐縣順寶泉物業管理有限公司), or Shunbaoquan is an entity controlled by Mr. Lin and his spouse.

(c) Shenzhen Eastroc Beverage Foundation (深圳市東鵬飲料公益基金會) is an entity in which natural person associated with the Group serve as director and management personnel.

The trade related balances with related parties were unsecured and interest-free with aging within 1 year.

The non-trade related balances with related parties were interest-free, unsecured and repayable on demand.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is set out in Note 11.

32. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme under the MPF Scheme for employees who are eligible to participate in the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group, in fund under the control of trustees. The Group contributes certain percent of relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

The employees of the Company and the Company's subsidiaries established in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specific contributions.

During the year ended 31 December 2025, the total expense recognised in profit or loss of approximately RMB166,559,000 (2024: RMB95,085,000) represents contributions payable to these schemes by the Group.

33. ACQUISITION OF A SUBSIDIARY

Acquisition of a subsidiary

During the year ended 31 December 2025, the Group acquired 100% interest in Shenzhen Xinfeitong Optoelectronic Technology Co., Ltd. (深圳新飛通光電子技術有限公司) ("**Xinfeitong**") at a cash consideration of approximately RMB483,639,000. Upon completion of the acquisition, Xinfeitong became a subsidiary of the Group. The acquisition has been accounted for as acquisition of assets and liabilities through an acquisition of a subsidiary because Xinfeitong mainly holds several buildings and the underlying leasehold land without significant processes applied to the properties.

Details of the assets acquired and liabilities assumed are as below:

	2025 RMB'000
Property, plant and equipment	115,614
Right-of-use assets	234,277
Other receivables	7,232
Cash and cash equivalents	127,672
Other payables	(1,156)
	483,639
Net cash outflow arising on acquisition of Xinfeitong	
Cash consideration paid	483,639
Less: cash and cash equivalents acquired	(127,672)
	355,967

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flow will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Borrowings	Lease liabilities	Dividend payable	Accrued issue cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	3,235,888	108,964	–	–	3,344,852
Financing cash flows	3,217,535	(19,894)	(2,000,050)	–	1,197,591
New leases entered/lease modified	–	4,463	–	–	4,463
Finance costs	97,914	4,962	–	–	102,876
Dividend declared	–	–	2,000,050	–	2,000,050
As at 31 December 2024	**6,551,337**	**98,495**	**–**	**–**	**6,649,832**
Financing cash flows	**(5,977)**	**(27,986)**	**(2,600,065)**	**(13,500)**	**(2,647,528)**
New leases entered/lease modified	**–**	**338,606**	**–**	**–**	**338,606**
Finance costs	**84,870**	**16,262**	**–**	**–**	**101,132**
Dividend declared	**–**	**–**	**2,600,065**	**–**	**2,600,065**
Share issue costs accrued	**–**	**–**	**–**	**19,535**	**19,535**
As at 31 December 2025	**6,630,230**	**425,377**	**–**	**6,035**	**7,061,642**

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities, net of cash and cash equivalents, restricted bank deposits and time deposits, and equity attributable to the owners of the Company, comprising issued share capital, retained profits and other reserves.

The Group's directors review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group expects to balance its overall capital structure through new share issues as well as the issue of the new debt or the redemption of existing debts and the payment of dividends.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Cash and cash equivalents	**2,740,733**	3,328,162
Restricted bank deposits	**10,255**	9,025
Time deposits	**6,518,456**	6,361,053
Trade and other receivables	**139,882**	109,740
Amounts due from related parties	**136**	1
Financial assets at amortised cost	**9,409,462**	9,807,981
Financial assets at FVTPL	**7,021,197**	5,274,359
	16,430,659	15,082,340
Financial liabilities		
Trade and other payables	**2,676,917**	2,347,778
Amount due to a related party	**8,718**	6,946
Borrowings	**6,630,230**	6,551,337
Financial liabilities at amortised cost	**9,315,865**	8,906,061

(b) Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, trade and other receivables, amounts due from related parties, restricted bank deposits, time deposits, financial assets at FVTPL, trade and other payables, amount due to a related party and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, price and currency rates.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk

The Group collects most of its revenue and incurs most of the expenditures in RMB. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk. The main intra-group balances are the amounts due from/ to Eastroc Beverage (HongKong) Co., Ltd., a subsidiary with operating activities in Hong Kong. Some subsidiaries have foreign currencies included in cash and cash equivalents and financial assets at FVTPL which expose them to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets, monetary liabilities and intra-group balances at the end of the reporting period are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
RMB	**372**	166
HKD	**58,060**	41,833
USD	**1,433,873**	1,716,856
Liabilities		
RMB	**36,856**	179,570
HKD	**—**	683
USD	**124**	126

Sensitivity analysis

The Group is mainly exposed to fluctuation in RMB and USD against HKD. As HKD is pegged to USD under the Hong Kong's linked exchange rate system, the management of the Group is of the opinion that the Group's exposure to the foreign exchange rate risk of USD against HKD is minimal.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

Sensitivity analysis *(Continued)*

The following table details the Group's sensitivity to a reasonably possible change of 5% increase and decrease in HKD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis also includes intra-group balances. A positive number below indicates an increase in post-tax profit where HKD weaken 5% against RMB. For a 5% strengthening of HKD against RMB, there would be an equal and opposite impact on the profit and the amounts below would be negative.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year		
— HKD against RMB	**(1,523)**	(5,733)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (Note 22), time deposits (Note 22), fixed-rate borrowings (Note 25) and lease liabilities (Note 27). The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 22). The cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing market interest rate on bank balances.

Interest rate sensitivity

The management of the Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

(iii) Price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL. For equity securities measured at FVTPL quoted in the Stock Exchange, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the end of the reporting period. For sensitivity analysis of equity securities with fair value measurement categorised within Level 1, the sensitivity rate is increased to 10% as a result of the volatile financial market. If the prices of the respective equity instruments had been 10% higher/lower, the post-tax profit for the year ended 31 December 2024 would increase/decrease by approximately RMB14,146.000 and no such investments was held by the Group as at 31 December 2025.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, amount due from related parties, restricted bank deposits, time deposits, and bank balance. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial instruments.

Trade receivables and amounts due from related parties arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group may require a deposit to be received from most of the customers before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In addition, the Group performs impairment assessment under ECL model on trade receivables and amounts due from related parties in trade nature which are credit-impaired individually. The remaining trade receivables and amounts due from related parties are grouped and assessed on collective basis based on the nature of customers and customers' aging of outstanding balances. During the year ended 31 December 2025, the credit loss allowance of approximately RMB513,000 (2024: RMB781,000) was recognised by the Group in relation to the trade receivables and amounts due from related parties.

Other receivables

The Group assessed the loss allowance for other receivables in non-trade nature on 12m ECL basis as the Group has considered that credit risks on these financial assets have not increased significantly since initial recognition. In determining the ECL, the Group has taken into account the historical default experience and forward-looking information as appropriate. The Group has considered the consistently low historical default rate in connection with payments and the Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. During the year ended 31 December 2025, the credit loss allowance of approximately RMB506,000 (2024: RMB177,000) was recognised by the Group.

Time deposits, restricted bank deposits and bank balances

The credit risks on time deposits, restricted bank deposits and bank balances are limited because the counterparties are authorised banks in the PRC with high credit ratings assigned by external credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are placed with several banks, the Group does not have any other significant concentration of credit risk.

The Group assessed 12m ECL for time deposits, restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on time deposits, restricted bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised for the years ended 31 December 2025 and 2024.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Time deposits, restricted bank deposits and bank balances (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	**Description**	**Trade receivables**	**Other financial assets**
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL — not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	**Internal credit rating**	**12 m or life-time ECL**	**Gross carrying amount** **31/12/2025** **RMB'000**	31/12/2024 RMB'000
Trade receivables	*21*	N/A *(Note i)*	Life-time ECL (not credit-impaired)	**95,720**	85,581
Other receivables	*21*	(ii)	12m ECL	**49,266**	28,744
Amounts due from related parties	*31*	N/A *(Note i)*	Life-time ECL (not credit-impaired)	**136**	1
Time deposits	*22*	(ii)	12m ECL	**6,518,456**	6,361,053
Restricted bank deposits	*22*	(ii)	12m ECL	**10,255**	9,025
Bank balances	*22*	(ii)	12m ECL	**2,740,733**	3,328,162

Notes:

(i) For trade receivables and amounts due from related parties in trade nature, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by based on the aging of respective trade receivables.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Time deposits, restricted bank deposits and bank balances (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers. Set out below is the information about the credit risk exposure on the Group's trade receivables using a collective basis:

	Less than 1 year	Total
	RMB'000	RMB'000
As at 31 December 2025		
Average loss rate	**5.00%**	**5.00%**
Total gross carrying amount	**95,720**	**95,720**
Lifetime ECL	**(4,786)**	**(4,786)**
	90,934	**90,934**
As at 31 December 2024		
Average loss rate	5.00%	5.00%
Total gross carrying amount	85,581	85,581
Lifetime ECL	(4,273)	(4,273)
	81,308	81,308

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2025, the Group provided approximately RMB4,786,000 (2024: RMB4,273,000) impairment allowance for trade receivables which is not credit-impaired. No impairment allowance (2024: nil) were made on credit-impaired debtors.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Time deposits, restricted bank deposits and bank balances (Continued)

The following tables show the movement in lifetime ECL that has been recognised for trade receivables and amounts due from related parties under the simplified approach:

	RMB'000
As at 1 January 2024	3,492
— impairment losses recognised, net of reversal	781
As at 31 December 2024	**4,273**
— impairment losses recognised, net of reversal	**513**
As at 31 December 2025	**4,786**

Notes:

(i) For the purposes of internal credit risk management, the Group has applied the general approach in IFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for other receivables, time deposits, restricted bank deposits and bank balances by assessment of probability of default. During the years ended 31 December 2025 and 2024, in view of the nature of the balance and historical default rate and forward looking information, the Group considers the provision of impairment allowance for these balances are insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

36. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity table

	Weighted average interest rate %	On demand or less than 1 years RMB'000	Between 1 and 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
At 31 December 2025						
Trade and other payables	**N/A**	**2,676,917**	**–**	**–**	**2,676,917**	**2,676,917**
Amount due to a related party	**N/A**	**8,718**	**–**	**–**	**8,718**	**8,718**
Borrowings	**1.07**	**6,663,150**	**–**	**–**	**6,663,150**	**6,630,230**
Lease liabilities	**4.64**	**41,517**	**129,059**	**489,400**	**659,976**	**425,377**
		9,390,302	**129,059**	**489,400**	**10,008,761**	**9,741,242**

	Weighted average interest rate %	On demand or less than 1 years RMB'000	Between 1 and 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
At 31 December 2024						
Trade and other payables	N/A	2,347,778	–	–	2,347,778	2,347,778
Amount due to a related party	N/A	6,946	–	–	6,946	6,946
Borrowings	1.51	6,592,443	–	–	6,592,443	6,551,337
Lease liabilities	4.75	17,466	36,109	97,455	151,030	98,495
		8,964,633	36,109	97,455	9,098,197	9,004,556

36. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group establishes appropriate valuation techniques and inputs to the models utilised to estimate the fair value of the financial instruments.

The table below analyses the Group's financial instruments carried at fair value on a recurring basis by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Information about the valuation techniques and inputs used in determining the fair value of various assets is disclosed below.

(i) Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value			
	As at 31 December		Fair value	Valuation technique(s)
	2025	2024	**hierarchy**	**and key input(s)**
	RMB'000	RMB'000		
Listed equity security	**–**	141,346	Level 1	Quoted bid prices in an active market.
Investment in financial products issued by banks and other financial institutions	**6,642,673**	4,856,873	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investment
Investment in a fund	**378,524**	276,140	Level 3	Quoted value from fund administrators based on the fair value of underlying investments *(Note)*
	7,021,197	5,274,359		

Note: The key unobservable input used in the fair value measurement provided by the fund administrators included discount for lack of marketability. An increase in the discount rate for lack of marketability used in valuation would result in a decrease in the fair value measurement of the investment in a fund, and vice versa.

36. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments *(Continued)*

(ii) Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL	
	As at 31 December	
	2025	2024
	RMB'000	RMB'000
At 1 January	**276,140**	342,612
Disposals/settlements	**(19,573)**	(20,241)
Fair value changes	**121,957**	(46,231)
At 31 December	**378,524**	276,140

There were no transfers between Level 1 and 2 during the year.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the date of issuance of the consolidated financial statements, the Company has direct and indirect interest in the following subsidiaries:

Name of companies	Place and date of incorporation/ establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group As at 31 December 2025	2024	Legal form	Principal activities
Directly held:						
廣州市東鵬食品飲料有限公司 Guangzhou Eastroc	Chinese mainland 5 April 2006	RMB80,000,000 RMB80,000,000	**100%**	100%	Limited liability company	R&D Center and Manufacturing
安徽東鵬食品飲料有限公司 Anhui Eastroc Food and Beverage Co., Ltd.	Chinese mainland 28 August 2012	RMB300,000,000 RMB300,000,000	**100%**	100%	Limited liability company	Manufacturing

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of companies	Place and date of incorporation/ establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group As at 31 December 2025	2024	Legal form	Principal activities
廣東東鵬維他命飲料有限公司 Guangdong Eastroc Vitamin Beverage Co., Ltd.	Chinese mainland 10 November 2011	RMB10,000,000 RMB10,000,000	**100%**	100%	Limited liability company	Manufacturing
南寧東鵬食品飲料有限公司 Nanning Eastroc	Chinese mainland 1 March 2017	RMB450,000,000 RMB450,000,000	**100%**	100%	Limited liability company	Manufacturing
重慶東鵬維他命飲料有限公司 Chongqing Eastroc Vitamin Beverage Co., Ltd.	Chinese mainland 3 February 2015	RMB489,961,000 RMB489,961,000	**100%**	100%	Limited liability company	Manufacturing
長沙東鵬維他命飲料有限公司 Changsha Eastroc Vitamin Beverage Co., Ltd.	Chinese mainland 9 August 2021	RMB130,000,000 RMB130,000,000	**100%**	100%	Limited liability company	Manufacturing
浙江東鵬維他命飲料有限公司 Zhejiang Eastroc Vitamin Beverage Co., Ltd.	Chinese mainland 29 November 2021	RMB170,000,000 RMB170,000,000	**100%**	100%	Limited liability company	Manufacturing
廣東東鵬飲料有限公司 Guangdong Dongpeng Beverage Co., Ltd.	Chinese mainland 26 April 2017	RMB669,076,700 RMB669,076,700	**100%**	100%	Limited liability company	Manufacturing
天津東鵬維他命飲料有限公司 Tianjin Dongpeng Vitamin Beverage Co., Ltd.	Chinese mainland 2 November 2023	RMB200,000,000 RMB200,000,000	**100%**	100%	Limited liability company	Manufacturing
中山市東鵬維他命飲料有限公司 Zhongshan Dongpeng Vitamin Beverage Co., Ltd.	Chinese mainland 9 May 2024	RMB100,000,000 RMB100,000,000	**100%**	/	Limited liability company	Manufacturing
深圳市東鵬捷迅供應鏈管理有限公司 Eastroc Jiexun	Chinese mainland 23 April 2019	RMB100,000,000 RMB100,000,000	**100%**	100%	Limited liability company	Supply Chain Management
東鵬飲料市場營銷(上海)有限公司 Eastroc Beverage Marketing (Shanghai) Co., Ltd.	Chinese mainland 22 June 2020	RMB10,000,000 RMB10,000,000	**100%**	100%	Limited liability company	Distribution

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Name of companies	Place and date of incorporation/ establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group As at 31 December 2025	2024	Legal form	Principal activities
東鵬飲料市場營銷(天津)有限公司 Eastroc Beverage Marketing (Tianjin) Co., Ltd.	Chinese mainland 2 January 2024	RMB10,000,000 RMB10,000,000	**100%**	100%	Limited liability company	Distribution
東鵬飲料營銷(廣東)有限公司 Guangdong Marketing	Chinese mainland 9 November 2022	RMB10,000,000 RMB10,000,000	**100%**	100%	Limited liability company	Distribution
東鵬飲料市場營銷(浙江)有限公司 Eastroc Beverage Marketing (Zhejiang) Co., Ltd.	Chinese mainland 4 January 2024	RMB10,000,000 RMB10,000,000	**100%**	100%	Limited liability company	Distribution
東鵬飲料(香港)有限公司 Eastroc Beverage (HongKong) Co., Ltd.	Hong Kong 10 November 2021	US$190,000,000 US$190,000,000	**100%**	100%	Limited liability company	Distribution and International Trade
廣東東鵬飲料供應鏈管理有限公司 Guangdong Supply Chain	Chinese mainland 17 July 2025	RMB10,000,000 RMB10,000,000	**100%**	/	Limited liability company	Supply Chain Management
東鵬飲料(新加坡)有限公司 Eastroc Holding Pte. Ltd.	Singapore 17 February 2025	SGD400,000 SGD400,000	**100%**	/	Limited liability company	Investment holding
Indirectly held:						
東鵬飲料(新加坡)投資公司 Eastroc Investment Pte. Ltd.	Singapore 17 February 2025	SGD1,000 SGD1,000	**100%**	/	Limited liability company	Investment holding

Notes:

(a) The English names of the subsidiaries incorporated in Mainland China represent the best efforts made by the management of the Group in translating their Chinese names as they do not have official English names, and the Chinese names of the subsidiaries incorporated in Singapore represent the best efforts made by the management of the Group in translating their English names as they do not have official Chinese names.

(b) The above table lists the subsidiaries of the Company that the directors of the Company believe to principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would, result in particulars of excessive length.

(c) None of the subsidiaries has issued any debt securities as at 31 December 2025 and 2024 or at any time during the reporting period.

38. CAPITAL COMMITMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**1,420,237**	1,034,013

39. EVENTS AFTER THE REPORTING PERIOD

On 3 February 2026, the Company was successfully listed on the Main Board of the Stock Exchange following the completion of issuance of 40,889,900 new shares of RMB1 each issued at an offer price of HKD248.0 per share. On 4 March 2026, the Company exercised the over-allotment option and completed the issuance of 3,865,800 new shares of RMB1 each issued at an offer price of HKD248.0 per share.

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"AGM"	the annual general meeting of the Company
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in the Appendix C1 to the Hong Kong Listing Rules
"China" or the "PRC"	People's Republic of China
"Company", "our Company" or "Eastroc"	Eastroc Beverage (Group) Co., Ltd. (東鵬飲料(集團)股份有限公司), a joint stock company with limited liability established in the PRC, whose A Shares are listed on the Shanghai Stock Exchange (stock code: 605499) and whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 9980)
"connected person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Dongpeng Yuandao"	Yantai Dongpeng Yuandao Investment Development Partnership (Limited Partnership) (煙台市東鵬遠道投資發展合夥企業(有限合夥)), in which Mr Lin Muqin directly owns approximately 99.998% partnership interests as a limited partner
"Dongpeng Zhicheng"	Yantai Dongpeng Zhicheng Investment Development Partnership (Limited Partnership) (煙台市東鵬致誠投資發展合夥企業(有限合夥)), in which Mr Lin Muqin directly owns approximately 99.87% partnership interests as a limited partner
"Dongpeng Zhiyuan"	Yantai Dongpeng Zhiyuan Investment Development Partnership (Limited Partnership) (煙台市東鵬致遠投資發展合夥企業(有限合夥)), in which Mr Lin Muqin directly owns approximately 99.89% partnership interests as a limited partner
"Eastroc Beverage Charitable Foundation"	Shenzhen Eastroc Beverage Foundation (深圳市東鵬飲料公益基金會)

"Eastroc Beverage (HongKong)"	Eastroc Beverage (HongKong) Co., Limited (東鵬飲料(香港)有限公司), a company incorporated in Hong Kong with limited liability on November 10, 2021 and a wholly-owned subsidiary of our Company
"Eastroc Industrial"	Shenzhen Eastroc Beverage Industrial Company (深圳市東鵬飲料實業公司), our predecessor incorporated in June 1994, the interests of which were transferred to, among others, Mr. Lin and 19 other employees of Eastroc Industrial in October 2003
"Eastroc Limited"	Shenzhen Eastroc Beverage Industrial Co., Ltd. (深圳市東鵬飲料實業有限公司), our predecessor, a limited liability company where Mr. Lin was a 58.04% shareholder before it was converted to the current Company in March 2018
"ESG"	Environmental, Social and Corporate Governance
"FVTPL"	fair value through profit or loss
"Global Offering"	the Hong Kong public offering and the international offering of H Shares as described in the Prospectus
"Group", "our Group", "our", "we" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
"H Shares Listing Date" or "Listing Date"	February 3, 2026
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars", "HKD" or "HK$"	the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Hong Kong Stock Exchange" or "SEHK"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"IASB"	International Accounting Standards Board
"IFRS"	the IFRS Accounting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB

"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Hong Kong Listing Rules
"Latest Practicable Date"	March 25, 2026, being the latest practicable date prior to the printing of this Report for the purpose of ascertaining certain information in this Report
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange on February 3, 2026
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules
"Mr. Lin"	Mr. Lin Muqin (林木勤), the chairman of our Board, an executive Director and the chief executive officer of our Company, one of our Controlling Shareholders
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"NielsenIQ" or "Nielsen"	a monitoring and data analytics company
"Nomination Committee"	the nomination committee of the Board
"over-allotment option"	the option granted by us to require our Company to allot and issue up to an aggregate of 6,133,400 additional H Shares as described in the Prospectus
"Pengzhirui"	Shenzhen Pengzhirui Digital Marketing Co., Ltd. (深圳鵬智瑞數字營銷有限公司), a wholly-owned subsidiary of our Group established in July 2017, in which Mr. Lin indirectly through Zhenchanghui Investment (Shenzhen) Co., Ltd. (臻昌匯投資(深圳)有限公司) controls 100% of the equity interests
"Prospectus"	the prospectus of the Company dated January 26, 2026
"QFII"	Qualified Foreign Institutional Investor
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Report"	the 2025 annual report of the Company
"Reporting Period"	from January 1, 2025 to December 31, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Shanghai Stock Exchange" or "SSE"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange" or "SZSE"	the Shenzhen Stock Exchange (深圳證券交易所)
"Strategy and ESG Committee"	the strategy and ESG committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"%"	per cent